

# Houston



## Quick Stats

**18.9**

Msf of industrial space under construction

**6.9%**

Direct vacancy in Houston's industrial market

**8.6**

Msf of industrial space delivered during first quarter

**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

The current economic disruption creates uncertainty in all commercial real estate markets, but the industrial sector will remain Houston's cream of the crop due to its historically low vacancy rates and e-commerce demand. Expansion continues amid record-level construction. Industrial developers have received approval to continue construction during Harris County's stay home, work safe order, and it is currently totaling 18.9 million square feet (msf).

The metro has been experiencing a general economic slowdown prior to the current economic disruption with the energy sector's recovery hampered by low oil prices. However, up until the current time, Houston's overall healthy economy was touting positive job growth, low unemployment and increased population.

Uncertainty looms for many retailers due to the pandemic, but Houston's population gains had already established the region as a distribution hub with e-commerce demand. During first quarter, Ross Stores broke ground on its new 2.2-msf distribution center, Dollar Tree started construction on its 1.2-msf

project in Rosenberg and another Amazon facility totaling 806,000 sf broke ground in Katy off Peek Road. Retailers including Five Below and American Furniture Warehouse also have distribution centers underway as they expand throughout the metro area.

The employment picture is evolving during the global pandemic and stay-at-home rules. 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.

### Absorption & Demand

Direct net absorption jumped 21.5% from the previous quarter, recording 2.4 msf during first quarter 2020. This absorption extends the multi-year positive trend and surpasses last year's quarterly average of 2 msf of direct net absorption. The largest property completed and occupied is Coca-Cola Southwest Beverage's 1-msf plant in Pinto Business Park in North Houston, followed by Home Depot's occupation of its 770,640-sf distribution

center in Grand National Business Park in Northwest Houston. Warehouse/distribution space accounted for 1.8 msf during the first quarter, which is 77% of the total. As mentioned, Ross, Dollar Tree and Amazon broke ground on a combined 4.7 msf during the quarter. Economic effects from the pandemic will likely effect activity, and time will tell for which of the 24 largest proposed projects totaling more than 9 msf start construction, and, more importantly, secure tenants.



The Southeast sector recorded the highest absorption, 639,977 sf, during the first quarter, followed by the North with 612,876 sf. Only the CBD/Inner Loop sector recorded negative absorption, although several large moveouts, including DHL's 401,280 sf from 4501 Blalock, offset the larger occupancies.

Industrial leasing activity plunged to 4.3 msf during first quarter, a 31.2% drop from the 6.2 msf last quarter; this is also a 42% drop when compared to 2019's first quarter. Amazon was very active during first quarter, signing one of the largest leases, 443,520 sf in Building 1 of the under-construction Park 249 at Tomball Parkway and the Beltway, and breaking ground on a new facility off Peek Road. Two additional larger leases announced include Wholesome Sweeteners' 349,050 sf at Victory Commerce Center and Goodman Air Conditioning and Heating's 312,640 sf at 18140 Kickapoo Road.

Available sublease space stabilized at 4.9 msf during first quarter, recording

roughly the same total from the previous quarter. The identical three sectors from last quarter are still offering more than 1 msf: the North sector has 1.6 msf available and the Southeast and Northwest sectors both offer 1.2 msf each. Since leasing activity has shifted away from existing product to new construction, much of the net absorption gains this year coincide with the delivery timeline.

### Vacancy & Availability

Developers continued to announce new projects before the pandemic when general economic conditions were already trending down. Yet the large number of unoccupied deliveries has caused the direct vacancy rate to increase 90 basis points to 6.9% from 6% last quarter. Vacancy rates increased this quarter for warehouse/distribution space to 7.8% from 6.5% last quarter and from 5.9% year-over-year. Both manufacturing and flex space vacancies were stable, with manufacturing space constant at 2.7% and flex space falling 10 basis points from last quarter to 9.4%.

Deliveries surged during first quarter, with 56 properties totaling 8.6 msf completed and added to the existing market, shattering last quarter's overall record of 38 properties with 4.5 msf. All new 2020 deliveries were collectively 33% leased, although less than one third reported leasing; 15 were 100% leased. The two largest completed and occupied buildings during first quarter were Coca-Cola's 1-msf manufacturing plant in the North sector and Home



Depot's 770,640 sf distribution center in the Northwest.

Available space is also up; this category includes all space that could be leased but may or may not be vacant. Overall direct availability is now at 11.1%, up from 10.8% last quarter and up from 8.6% during the same period last year.

### Construction



Houston's construction pipeline is still soaring, although slightly decreased during first quarter as a record number of properties delivered.

First quarter's 18.9 msf in 96 buildings represented a drop from year-end 2019's 22.1 msf in 120 buildings. Cited by the Urban Land Institute in late 2019 as one of six dominant U.S. markets for industrial supply, Houston has recorded an average 14 msf of construction during the last six years.

The five largest projects underway are build-to-suit (BTS) representing 6.3 msf. The largest BTS project at 2.2 msf, Ross Distribution Center, broke ground during first quarter. The largest spec project is 784,000 sf in Building 10 of Bay Area Business Park in the Southeast.

### Asking Rates

The average rental rate for industrial space increased marginally to \$7.25 per square foot (psf) from last quarter's rate of \$7.19 psf. Rates first rose to above \$7.00 in mid-2018 and remained stable since. The two sectors asking the highest rates in the metro are the North at \$8.46 psf and the Southwest at \$8.08 psf.



### Asking Rates



### Vacancy Rates



### Net Absorption



## First-Quarter 2020 Highlights

- Facing dual threats of the pandemic and oil trade war, Houston's industrial sector will rely on the market's historically low vacancy rate and the constant demand of e-commerce to satisfy the metro's population growth.
- Completions skyrocketed to the highest level in the history of metro Houston with 56 properties comprising 8.6 msf added to the market. The properties entered the market 33% collectively leased.
- Construction totals represent the second highest in history as **Ross Stores** (Brookshire), **Dollar Tree** (Rosenberg) and **Amazon** (Katy) broke ground on a combined 4.7 msf of warehouse/distribution space during the quarter.
- The largest lease signed during first quarter was **Amazon's** 443,520 sf in Building 1 in Park 249 at 16225 Tomball Parkway in the Northwest sector. This new building follows the first-quarter ground breaking of **Amazon's** new 806,000-sf facility in Clay 99 Business Park off Peek Road.
- The largest absorption recorded during the first quarter was **Coca-Cola Southwest Beverage's** occupancy in its 1-msf facility in Pinto Business Park in the North sector and **Home Depot's** 770,640-sf occupancy in its new distribution center in Grand National Business Park in the Northwest.

## Trends to Watch

With its central location within the U.S. and the Americas, Houston is an important industrial base. The following are Houston-area 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

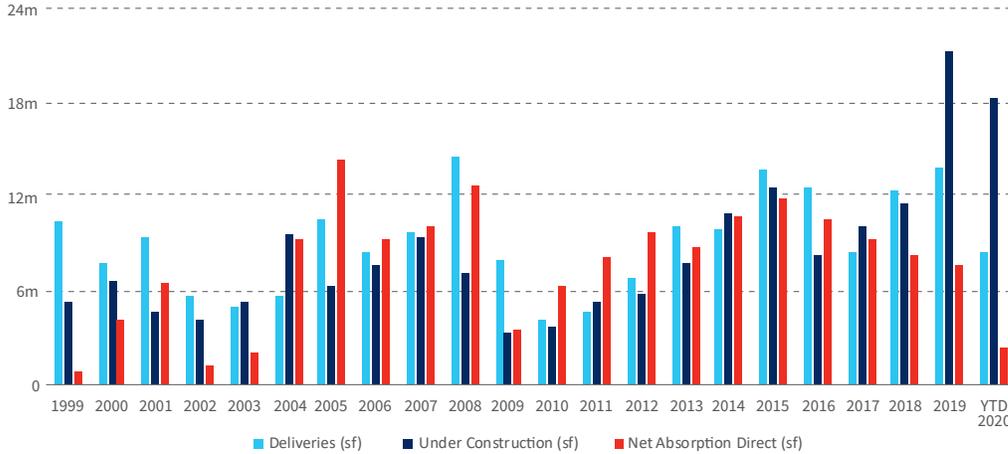
Employment grew 2.2%, creating 64,188 jobs for the 12 months ending February 2020.



### 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 &amp; Demand



## Select First-Quarter Under Construction

Building Name	Building Address	Building Size (sf)	% Preleased	Projected Delivery	Submarket
Ross Distribution Center	31207 Kingsland Boulevard	2,165,000	100%	September 2021	Southwest
Medline	I-10 & Pin Oak Road (Katy)	1,300,000	100%	December 2020	Northwest
Dollar Tree Distribution Center	1210 Hartledge Road	1,200,000	100%	July 2020	Southwest
Five Below	950 Conroe Park West Drive	860,000	100%	December 2020	North
Amazon	Peek Road (Clay 99)	806,000	100%	January 2021	Northwest
Bay Area Business Park Building 10	10629 Red Bluff Road	784,000	0%	May 2020	Southeast
Cedar Port Logistics	4725 E. Grand Parkway South	644,000	0%	May 2020	Southeast
Bayport South Business Park	10591 Red Bluff Road	642,994	0%	April 2020	Southeast
Boulevard Oaks Business Park Building 6	1919 S. FM 565 Road	604,800	0%	June 2020	Southeast
Boulevard Oaks Business Park Building 8	Fuqua & Beltway 8	534,440	0%	December 2020	Southwest
American Furniture Warehouse	500 Pin Oak Road	498,700	100%	April 2020	Northwest

## Select First-Quarter Deliveries

Building Name	Building Address	Building Size (sf)	% Preleased	Tenant	Submarket
Coca-Cola Southwest Beverages	Fallbrook Drive (Pinto Business Park)	1,000,000	100%	Coca-Cola Southwest Beverages	North
Home Depot	7703 Fallbrook Drive	770,640	100%	Home Depot	Northwest
Generation Park Building 1	10100 W. Lake Houston Parkway	648,720	0%	TBD	Northeast
Kennedy Greens Distribution Center I	13300 John F. Kennedy Boulevard	524,160	0%	TBD	North
Clay 99 Building 5	3900 Peek Road	433,200	0%	TBD	Northwest
Deerwood Glen Business Park	402 Deerwood Glen Drive	308,225	67%	Cap Barbell	Southeast
Bay Area Business Park Phase III Bldg 8	10611 Red Bluff Road	297,400	0%	TBD	Southeast
Waypoint Business Park Building 1	411 Cravens Road	290,373	0%	TBD	Southwest
Bay Area Business Park Phase III Bldg 9	10619 Red Bluff Road	251,680	55%	Dunavant Distribution Group	Southeast
Waypoint Business Point Building 2	9333 S. Sam Houston Parkway W.	248,930	0%	TBD	Southwest

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Properties

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First Quarter 2020



# Houston Industrial Market Statistics & Heat Maps

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Submarket	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Availability Rate Direct (%)	Available Sublease (sf)	Net Absorption Direct (sf)			Average Asking Rate Direct (NNN)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Construction (sf)
								Q1 2020	YTD 2020	% of Inventory				
<b>Manufacturing</b>														
CBD/Inner Loop	115	10,362,804	371,427	3.6%	3.6%	6.4%	0	-180,040	-180,040	-1.7%	\$14.40	0	0	0
North	185	16,501,256	204,080	1.2%	1.2%	2.9%	0	937,526	937,526	5.7%	\$8.31	146,900	1,024,687	314,385
Northeast	110	9,328,258	90,120	1.0%	1.0%	2.1%	0	-32,000	-32,000	-0.3%	\$9.60	16,000	40,200	0
Northwest	249	27,353,943	1,108,574	4.1%	4.2%	6.0%	49,249	-67,873	-67,873	-0.2%	\$6.54	126,503	0	498,700
South	134	9,834,023	327,954	3.3%	3.3%	4.8%	24,150	-60,000	-60,000	-0.6%	\$7.94	0	0	137,430
Southeast	170	19,471,883	278,803	1.4%	1.4%	3.5%	150,000	-13,300	-13,300	-0.1%	\$6.89	0	22,650	20,000
Southwest	111	8,514,162	322,290	3.8%	3.8%	9.8%	0	-19,000	-19,000	-0.2%	\$6.73	0	0	78,527
<b>Totals</b>	<b>1,074</b>	<b>101,366,329</b>	<b>2,703,248</b>	<b>2.7%</b>	<b>2.7%</b>	<b>4.9%</b>	<b>223,399</b>	<b>565,313</b>	<b>565,313</b>	<b>0.6%</b>	<b>\$7.15</b>	<b>289,403</b>	<b>1,087,537</b>	<b>1,049,042</b>
<b>Flex</b>														
CBD/Inner Loop	53	2,642,234	86,077	3.3%	3.3%	4.3%	0	-8,244	-8,244	-0.3%	\$15.80	17,072	0	0
North	183	9,145,734	1,316,767	14.4%	14.7%	18.4%	531,024	-132,438	-132,438	-1.4%	\$9.96	94,972	0	40,800
Northeast	10	472,194	17,172	3.6%	3.6%	11.4%	0	158	158	0.0%	\$8.76	21,000	0	0
Northwest	293	14,131,046	1,317,866	9.3%	9.7%	12.6%	105,246	-5,350	-5,350	0.0%	\$8.97	97,545	20,000	30,000
South	35	1,970,218	147,236	7.5%	7.5%	8.1%	0	-28,570	-28,570	-1.5%	\$10.73	28,354	0	0
Southeast	49	2,124,913	155,683	7.3%	7.3%	9.8%	0	63,610	63,610	3.0%	\$10.39	0	0	21,641
Southwest	208	9,892,696	771,716	7.8%	8.0%	10.5%	25,350	93,722	93,722	0.9%	\$9.83	66,806	0	63,316
<b>Totals</b>	<b>831</b>	<b>40,379,035</b>	<b>3,812,517</b>	<b>9.4%</b>	<b>9.7%</b>	<b>12.5%</b>	<b>661,620</b>	<b>-17,112</b>	<b>-17,112</b>	<b>0.0%</b>	<b>\$9.65</b>	<b>325,749</b>	<b>20,000</b>	<b>155,757</b>

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Submarket	Bldgs.	Inventory (sf)	Vacant Direct (sf)	Vacancy Rate Direct (%)	Vacancy Rate Total (%)	Availability Rate Direct (%)	Available Sublease (sf)	Net Absorption Direct (sf)			Average Asking Rate Direct (NNN)	YTD 2020 Leasing Activity (sf)	YTD 2020 Deliveries (sf)	Under Construction (sf)
								Q1 2020	YTD 2020	% of Inventory				
<b>Warehouse/Distribution</b>														
CBD/Inner Loop	546	32,712,788	1,500,862	4.6%	4.9%	8.1%	88,000	-11,984	-11,984	0.0%	\$4.71	63,403	0	0
North	1,014	71,714,742	7,413,609	10.3%	10.8%	16.1%	1,096,393	-192,212	-192,212	-0.3%	\$7.72	536,597	1,570,960	3,087,197
Northeast	344	25,919,256	1,760,481	6.8%	7.0%	9.4%	81,944	425,565	425,565	1.6%	\$4.73	190,595	150,000	323,500
Northwest	1,570	112,610,599	9,018,128	8.0%	8.4%	11.9%	1,032,500	424,783	424,783	0.4%	\$7.30	1,453,938	2,922,102	4,478,359
South	482	29,416,621	1,010,109	3.4%	4.3%	6.8%	359,753	96,816	96,816	0.3%	\$5.26	236,196	100,000	202,208
Southeast	723	76,871,854	6,208,282	8.1%	8.7%	14.5%	1,037,108	589,667	589,667	0.8%	\$7.53	911,455	1,432,794	4,388,007
Southwest	700	47,182,904	3,855,480	8.2%	8.4%	14.0%	333,479	499,876	499,876	1.1%	\$7.72	244,905	1,320,856	5,256,587
<b>Totals</b>	<b>5,379</b>	<b>396,428,764</b>	<b>30,766,951</b>	<b>7.8%</b>	<b>8.2%</b>	<b>12.6%</b>	<b>4,029,177</b>	<b>1,832,511</b>	<b>1,832,511</b>	<b>0.5%</b>	<b>\$6.82</b>	<b>3,637,089</b>	<b>7,496,712</b>	<b>17,735,858</b>
<b>Totals by Submarket</b>														
CBD/Inner Loop	714	45,717,826	1,958,366	4.3%	4.5%	7.5%	88,000	-200,268	-200,268	-2.1%	\$4.95	80,475	0	0
North	1,382	97,361,732	8,934,456	9.2%	9.5%	14.5%	1,627,417	612,876	612,876	0.6%	\$8.46	778,469	2,595,647	3,442,382
Northeast	464	35,719,708	1,867,773	5.2%	5.5%	7.4%	81,944	393,723	393,723	1.1%	\$5.23	227,595	190,200	323,500
Northwest	2,112	154,095,588	11,444,568	7.4%	7.8%	11.5%	1,186,995	351,560	351,560	0.2%	\$7.35	1,677,986	2,942,102	5,007,059
South	651	41,220,862	1,485,299	3.6%	4.2%	6.4%	383,903	8,246	8,246	0.0%	\$5.96	264,550	100,000	339,638
Southeast	942	98,468,650	6,642,768	6.7%	7.2%	12.7%	1,187,108	639,977	639,977	1.2%	\$7.19	911,455	1,455,444	4,429,648
Southwest	1,019	65,589,762	4,949,486	7.5%	7.6%	15.2%	358,826	574,598	574,598	0.9%	\$8.08	311,711	1,320,856	5,398,430
<b>Overall Totals</b>	<b>7,284</b>	<b>538,174,128</b>	<b>37,282,716</b>	<b>6.9%</b>	<b>7.3%</b>	<b>11.1%</b>	<b>4,914,196</b>	<b>2,380,712</b>	<b>2,380,712</b>	<b>0.4%</b>	<b>\$7.25</b>	<b>4,252,241</b>	<b>8,604,249</b>	<b>18,940,657</b>

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Manufacturing	115	10,362,804	371,427	3.6%	3.6%	6.4%	0	-180,040	-180,040	-1.7%	\$14.40	0	0	0
Flex	53	2,642,234	86,077	3.3%	3.3%	4.3%	0	-8,244	-8,244	-0.3%	\$15.80	17,072	0	0
Warehouse/Distribution	546	32,712,788	1,500,862	4.6%	4.9%	8.1%	88,000	-11,984	-11,984	0.0%	\$4.71	63,403	0	0
<b>Totals</b>	<b>714</b>	<b>45,717,826</b>	<b>1,958,366</b>	<b>4.3%</b>	<b>4.5%</b>	<b>7.5%</b>	<b>88,000</b>	<b>-200,268</b>	<b>-200,268</b>	<b>-2.1%</b>	<b>\$4.95</b>	<b>80,475</b>	<b>0</b>	<b>0</b>
<b>North</b>														
Manufacturing	185	16,501,256	204,080	1.2%	1.2%	2.9%	0	937,526	937,526	5.7%	\$8.31	146,900	1,024,687	314,385
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<b>Totals</b>	<b>1,382</b>	<b>97,361,732</b>	<b>8,934,456</b>	<b>9.2%</b>	<b>9.5%</b>	<b>14.5%</b>	<b>1,627,417</b>	<b>612,876</b>	<b>612,876</b>	<b>0.6%</b>	<b>\$8.46</b>	<b>778,469</b>	<b>2,595,647</b>	<b>3,442,382</b>
<b>Northeast</b>														
Manufacturing	110	9,328,258	90,120	1.0%	1.0%	2.1%	0	-32,000	-32,000	-0.3%	\$9.60	16,000	40,200	0
Flex	10	472,194	17,172	3.6%	3.6%	11.4%	0	158	158	0.0%	\$8.76	21,000	0	0
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<b>Totals</b>	<b>2,112</b>	<b>154,095,588</b>	<b>11,444,568</b>	<b>7.4%</b>	<b>7.8%</b>	<b>11.5%</b>	<b>1,186,995</b>	<b>351,560</b>	<b>351,560</b>	<b>0.2%</b>	<b>\$7.35</b>	<b>1,677,986</b>	<b>2,942,102</b>	<b>5,007,059</b>

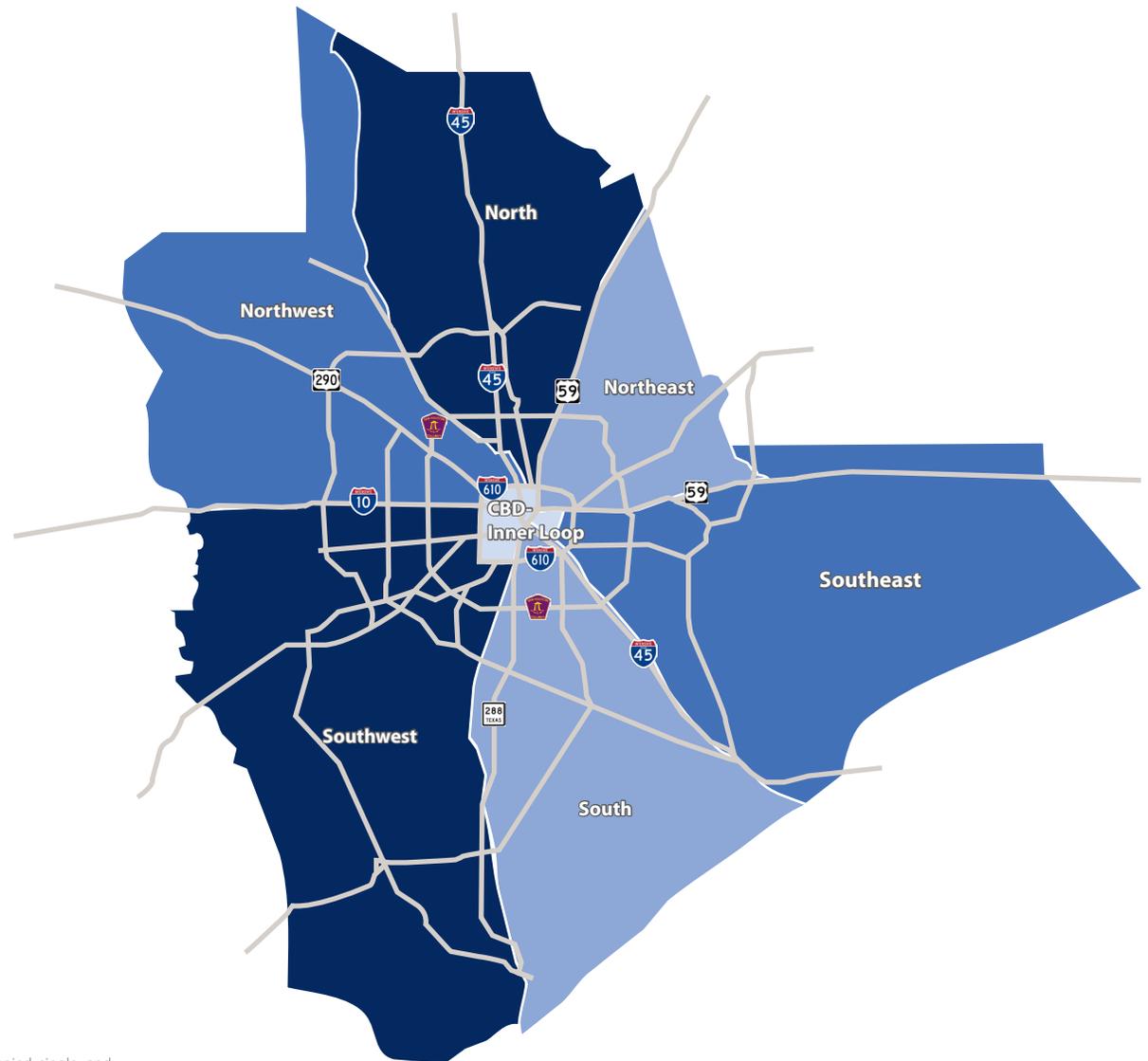
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Warehouse/Distribution	482	29,416,621	1,010,109	3.4%	4.3%	6.8%	359,753	96,816	96,816	0.3%	\$5.26	236,196	100,000	202,208
<b>Totals</b>	<b>651</b>	<b>41,220,862</b>	<b>1,485,299</b>	<b>3.6%</b>	<b>4.2%</b>	<b>6.4%</b>	<b>383,903</b>	<b>8,246</b>	<b>8,246</b>	<b>0.0%</b>	<b>\$5.96</b>	<b>264,550</b>	<b>100,000</b>	<b>339,638</b>
<b>Southeast</b>														
Manufacturing	170	19,471,883	278,803	1.4%	1.4%	3.5%	150,000	-13,300	-13,300	-0.1%	\$6.89	0	22,650	20,000
Flex	49	2,124,913	155,683	7.3%	7.3%	9.8%	0	63,610	63,610	3.0%	\$10.39	0	0	21,641
Warehouse/Distribution	723	76,871,854	6,208,282	8.1%	8.7%	14.5%	1,037,108	589,667	589,667	0.8%	\$7.53	911,455	1,432,794	4,388,007
<b>Totals</b>	<b>942</b>	<b>98,468,650</b>	<b>6,642,768</b>	<b>6.7%</b>	<b>7.2%</b>	<b>12.7%</b>	<b>1,187,108</b>	<b>639,977</b>	<b>639,977</b>	<b>1.2%</b>	<b>\$7.19</b>	<b>911,455</b>	<b>1,455,444</b>	<b>4,429,648</b>
<b>Southwest</b>														
Manufacturing	111	8,514,162	322,290	3.8%	3.8%	9.8%	0	-19,000	-19,000	-0.2%	\$6.73	0	0	78,527
Flex	208	9,892,696	771,716	7.8%	8.0%	10.5%	25,350	93,722	93,722	0.9%	\$9.83	66,806	0	63,316
Warehouse/Distribution	700	47,182,904	3,855,480	8.2%	8.4%	14.0%	333,479	499,876	499,876	1.1%	\$7.72	244,905	1,320,856	5,256,587
<b>Totals</b>	<b>1,019</b>	<b>65,589,762</b>	<b>4,949,486</b>	<b>7.5%</b>	<b>7.6%</b>	<b>15.2%</b>	<b>358,826</b>	<b>574,598</b>	<b>574,598</b>	<b>0.9%</b>	<b>\$8.08</b>	<b>311,711</b>	<b>1,320,856</b>	<b>5,398,430</b>
<b>Totals by Type</b>														
Manufacturing	1,074	101,366,329	2,703,248	2.7%	2.7%	4.9%	223,399	565,313	565,313	0.6%	\$7.15	289,403	1,087,537	1,049,042
Flex	831	40,379,035	3,812,517	9.4%	9.7%	12.5%	661,620	-17,112	-17,112	0.0%	\$9.65	325,749	20,000	155,757
Warehouse/Distribution	5,379	396,428,764	30,766,951	7.8%	8.2%	12.6%	4,029,177	1,832,511	1,832,511	0.5%	\$6.82	3,637,089	7,496,712	17,735,858
<b>Overall Total</b>	<b>7,284</b>	<b>538,174,128</b>	<b>37,282,716</b>	<b>6.9%</b>	<b>7.3%</b>	<b>11.1%</b>	<b>4,914,196</b>	<b>2,380,712</b>	<b>2,380,712</b>	<b>0.4%</b>	<b>\$7.25</b>	<b>4,252,241</b>	<b>8,604,249</b>	<b>18,940,657</b>

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

Average NNN Asking Rate Direct (All Types) = \$7.25 | First Quarter 2020

Submarket	Average NNN Asking Rate Direct
North	\$8.46
Southwest	\$8.08
Northwest	\$7.35
Southeast	\$7.19
South	\$5.96
Northeast	\$5.23
CBD/Inner Loop	\$4.95
Overall Average	\$7.25

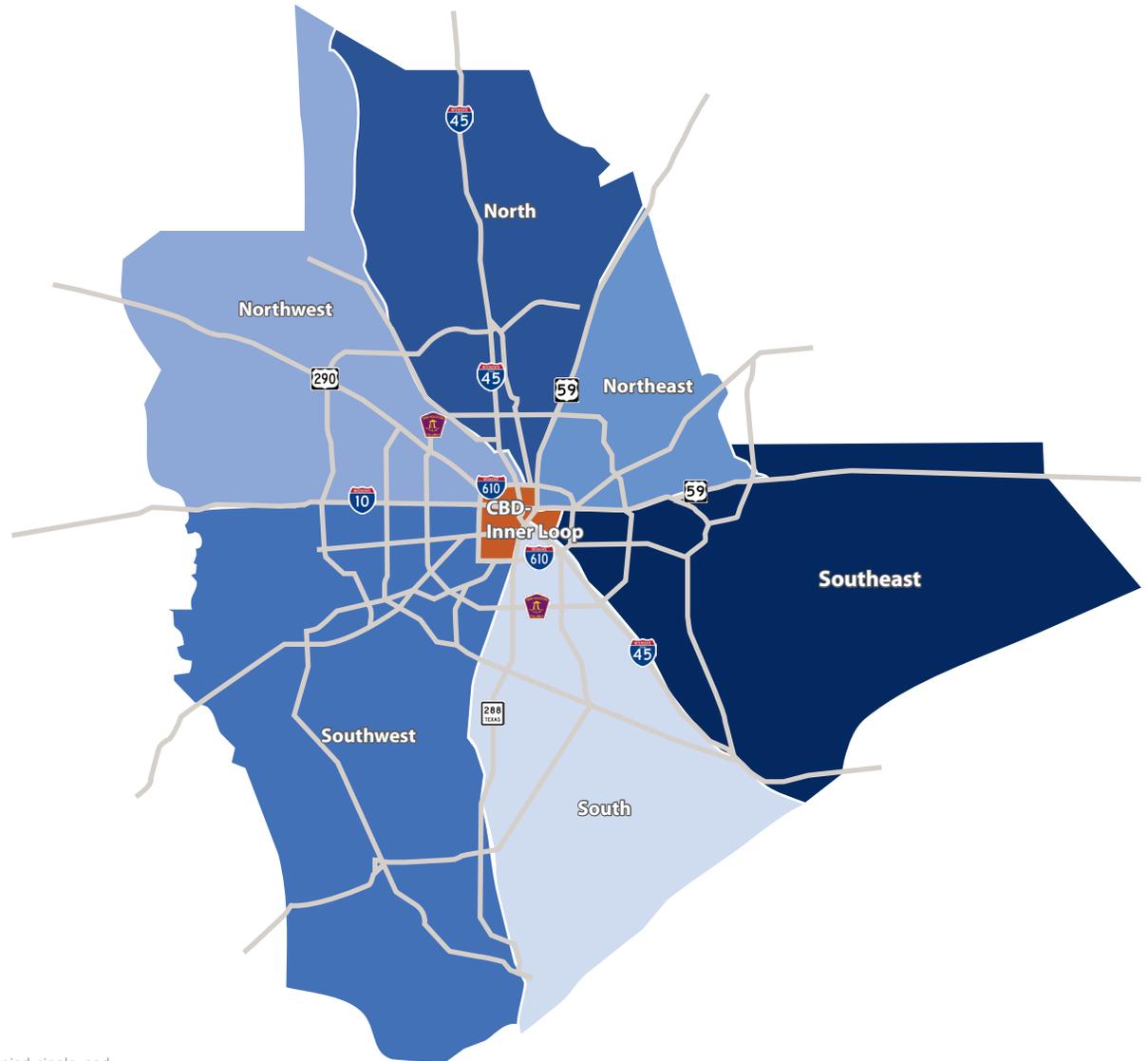


Vacancy in Avison Young's market report refers to vacant available square footage in owner-occupied, single- and multi-tenant buildings 20,000 square feet or larger and classified as general-purpose and either class A, B or C.

Net Absorption Direct = 2,380,712 sf | First Quarter 2020

Submarket	Net Absorption Direct (sf)
Southeast	639,977
North	612,876
Southwest	574,598
Northeast	393,723
Northwest	351,560
South	8,246
CBD/Inner Loop	-200,268
<b>Overall Total</b>	<b>2,380,712</b>

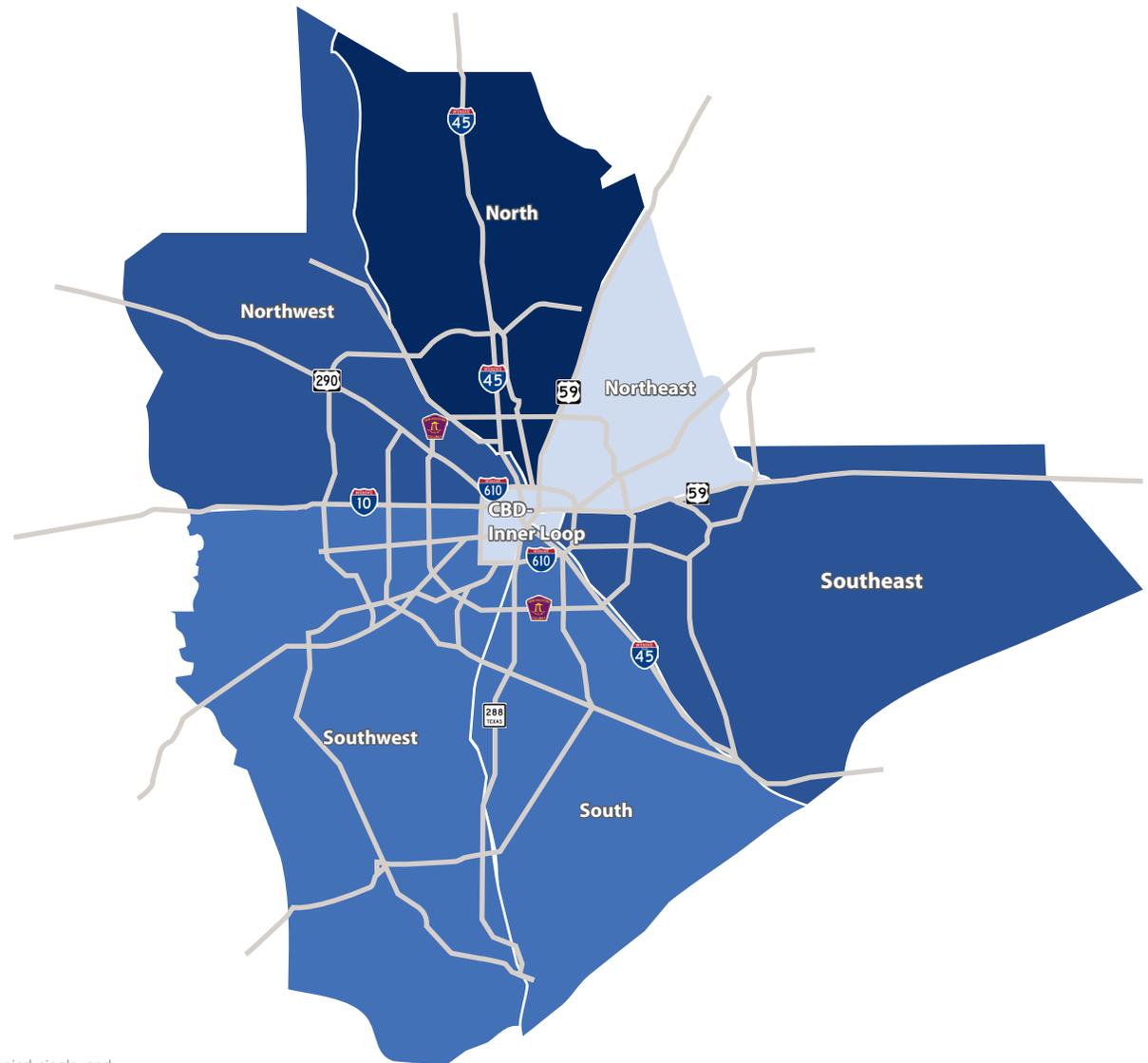
■ Blue Values (+ Absorption) ■ Orange Values (- Absorption)



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.

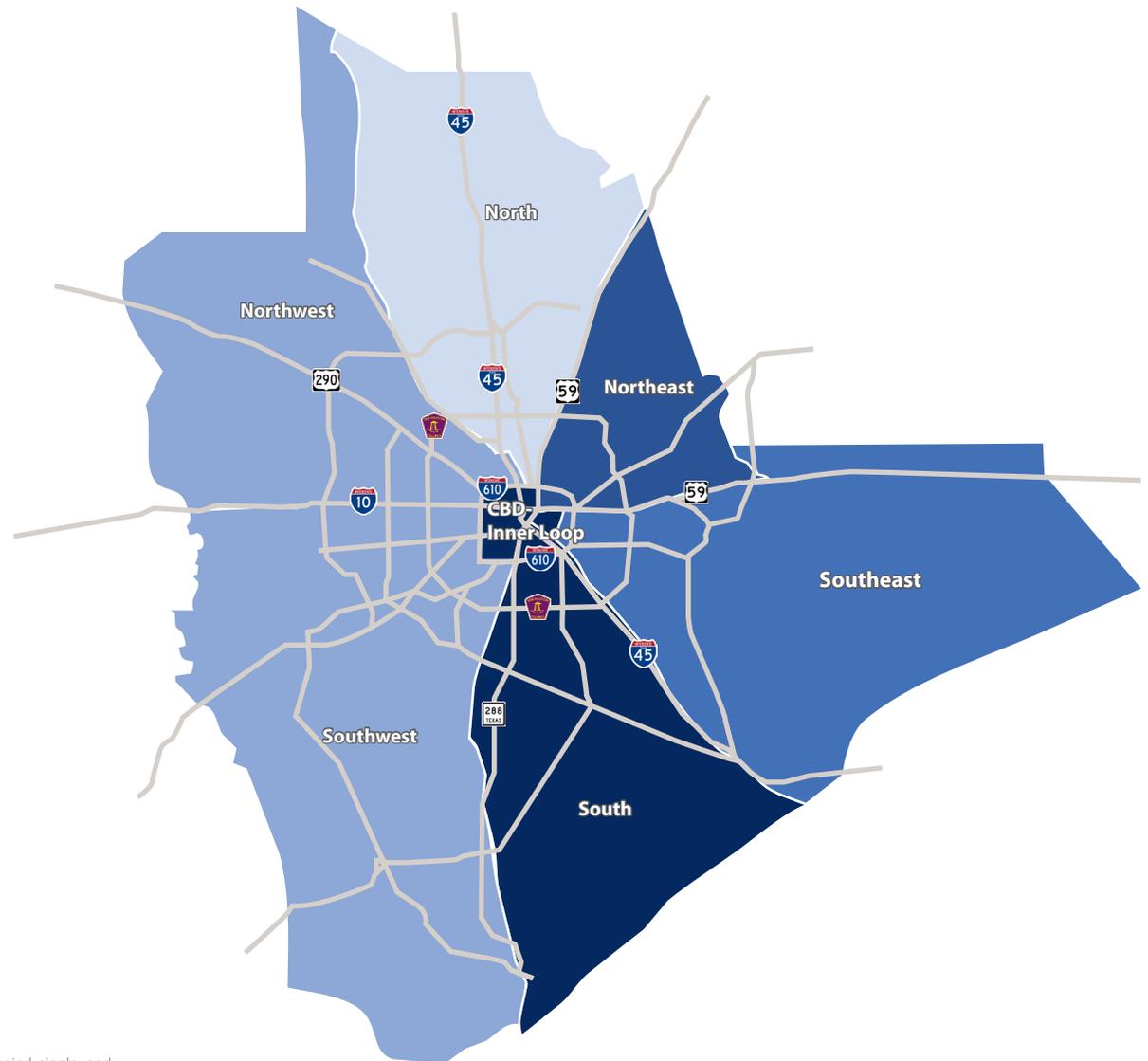
Available Sublease Space = 4,914,196 sf | First Quarter 2020

Submarket	Available Sublease Space (sf)
North	1,627,417
Southeast	1,187,108
Northwest	1,186,995
South	383,903
Southwest	358,826
CBD/Inner Loop	88,000
Northeast	81,944
<b>Overall Total</b>	<b>4,914,196</b>



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	Vacancy Rate Direct (%)
South	3.6%
CBD/Inner Loop	4.3%
Northeast	5.2%
Southeast	6.7%
Northwest	7.4%
Southwest	7.5%
North	9.2%
<b>Overall Average</b>	<b>6.9%</b>



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 Industrial Market Statistics & Heat Maps

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