



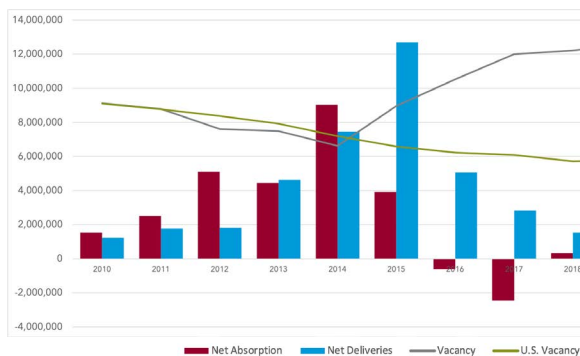
OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal*

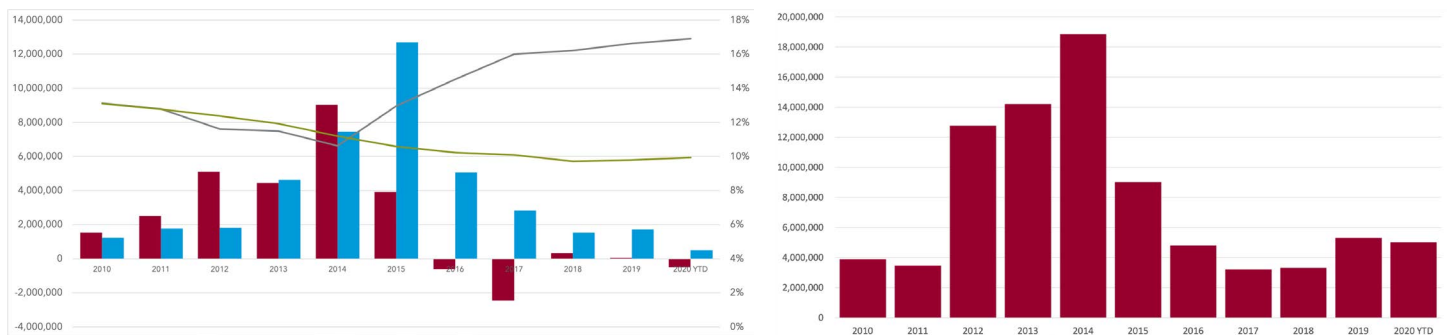
2020 began with cautious optimism as hopes of building on the conservative growth in 2019 were highlighted by a number of sizable office transactions during the first quarter. Broad demand has been bridled by uncertainty in the energy business combined with a long overdue capital market correction. That uncertainty became a new reality in early March as a global oil war sent an already weakened energy business into a mid-1980's scale crash. Compounded with the health crisis and national economic shutdown, business sectors across the board have reverted to survival mode. Houston, with its innate ties to the energy industry, will have a prolonged recovery.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	(475,467) SF	47,614 SF	556,325 SF	1,893,431 SF	2,574,226 SF
▲ Vacancy Rate	16.78%	16.63%	16.85%	16.66%	16.14%
◀▶ Avg NNN Asking Rate	\$28.46/ SF	\$28.46/SF	\$28.39/SF	\$28.33/SF	\$28.22/SF
▼ Under Construction	5,010,270 SF	5,301,951 SF	3,967,396 SF	3,585,403 SF	3,704,522 SF
▲ Inventory	332,827,369 SF	332,324,217 SF	332,173,497 SF	332,163,179 SF	330,852,264 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
600 N. Dairy Ashford Rd Houston, TX	1,300,000 SF	\$218,900,000 \$168.38/SF	Howard Hughes Occidental Petroleum Corp	Class A
2925 Richmond Ave Houston, TX	248,275 SF	\$115,000,000 \$463.20/SF	DWS Group Americas Midway Companies	Class A
2900 Wesleyan Houston, TX	136,698 SF	Undisclosed	Griffin Partners, Inc. Madison Marquette	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1201 Lake Robbins Dr The Woodlands, TX	807,586 SF	The Howard Hughes Corporation	Occidental Petroleum Corporation	Agri/Mining/Utilities
1100 Louisiana St Houston, TX	512,345 SF	Fantome Tower LP	Enterprise Products Partners, LP	Agri/Mining/Utilities
9950 Woodloch Forest Dr The Woodlands, TX	133,948 SF	The Howard Hughes Corporation	Western Midstream Partners	Business Services