



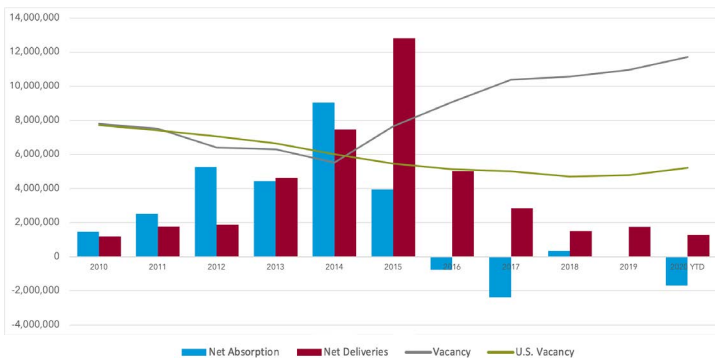
OFFICE MARKET OVERVIEW

CHRIS LEWIS, *Managing Principal*

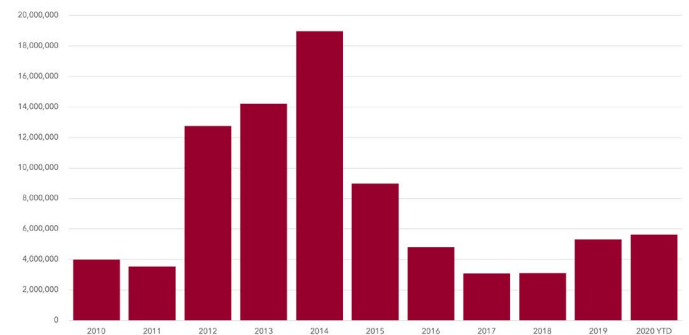
As spaces are redesigned to accommodate a COVID workplace, this trend will have lingering effects on how office environments will conduct business in the future. Distancing recommendations in the workspace will cause employers to implement operational changes and partial work-from-home strategies which will directly translate into the office footprint. And with this change, a percentage of the office spaces of the future will be designed with flexibility in mind for the daily commuter. In addition, Landlords will now look at building cleanliness as a marketed amenity, likely implementing the WELL rating to try and set each asset apart.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	(1,056,873) SF	(729,093) SF	1,316 SF	519,371 SF	1,945,253 SF
▲ Vacancy Rate	17.30%	16.80%	16.60%	16.80%	16.60%
▼ Avg NNN Asking Rate	\$28.25 PSF	\$28.32 PSF	\$28.38 PSF	\$28.32 PSF	\$28.27 PSF
▲ Under Construction	5,768,754 SF	5,150,676 SF	5,327,406 SF	3,965,241 SF	3,636,392 SF
▲ Inventory	333,870,498 SF	333,289,266 SF	332,713,225 SF	332,566,187 SF	332,562,109 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10777 Westheimer Rd Houston, TX	466,025 SF	Undisclosed	Undisclosed	Class A
363 N. Sam Houston Pky E Houston, TX	386,277 SF	Undisclosed	Undisclosed	Class A
11403 Compaq Center West Dr Houston, TX	260,791 SF	Undisclosed	Capital Commercial Investments Welltower, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5 Greenway Plaza Houston, TX	801,967 SF	Canada Pension Plan Investment Board	Occidental Petroleum	Agri/Mining/Utilities
4460 Highway 225 Deer Park, TX	80,613 SF	GBP Multi Property Fund	Universal Plant Services	Personal Services
3 Greenway Plaza Houston, TX	72,994 SF	Canada Pension Plan Investment Board	Occidental Petroleum	Agri/Mining/Utilities