



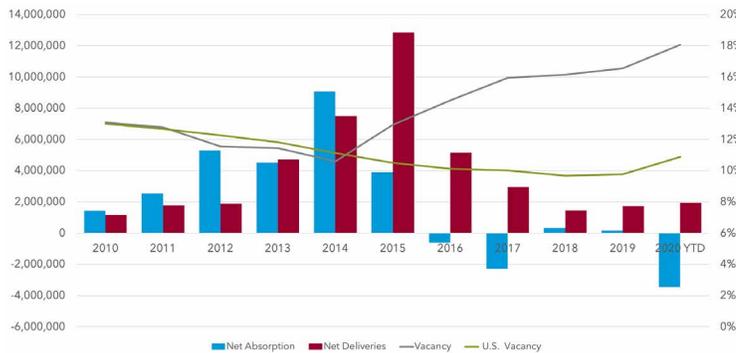
OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal, Office Tenant Representation*

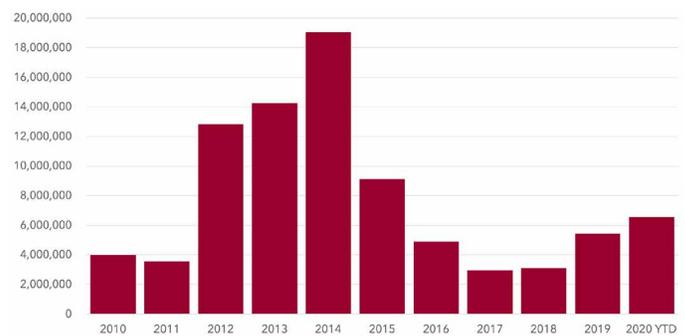
The global pandemic rages on as we enter the third consecutive quarter of stay-at-home orders. Many companies have extended their remote or partial-remote workforce policy indefinitely and have started thinking about their workplace culture long term. The market continues to adjust as companies are shedding space at an unprecedented rate. The availability rate, which combines vacant space, sublease, and future availability currently on the market is 28%, climbing 2% from the previous quarter. All indications are that this number will grow to 30% by year end. Even as retail and education recovers from the initial wave of job loss, the expectation is that the aggregate negative effect on the office market will continue into 2021.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(2,484,623) SF	(1,369,930) SF	(694,522) SF	167,680 SF	705,603 SF
▲ Vacancy Rate	18.0%	17.3%	16.8%	16.5%	16.8%
▼ Avg NNN Asking Rate	\$28.27 PSF	\$28.38 PSF	\$28.55 PSF	\$28.61 PSF	\$28.53 PSF
▲ Under Construction	6,100,535 SF	5,805,650 SF	5,165,710 SF	5,403,967 SF	4,023,913 SF
▲ Inventory	335,666,880 SF	334,993,188 SF	334,375,743 SF	333,778,702 SF	333,631,274 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10777 Westheimer Houston, TX	466,025 SF	\$60,500,000 \$129.82 PSF	Nitya Capital Investcorp	Class A
Chasewood Technology Park Houston, TX	463,969 SF	\$46,000,000 \$99.12 PSF	Nitya Capital Gencap Group	Class A
363 N Sam Houston Pkwy Houston, TX	386,277 SF	\$15,225,000 \$39.41 PSF	Realty.com The Koshbin Company	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
600 Travis Houston, TX	253,230 SF	Hines	JP Morgan Chase	Financial Services
1233 West Loop S Houston, TX	66,750 SF	Regent Properties	Ryan, LLC	Consulting Services
601 Travis Houston, TX	62,261 SF	Cerberus Capital	EP Energy	Energy

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