



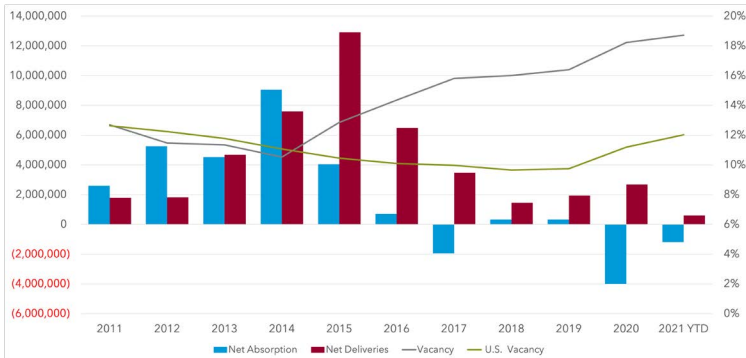
OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal, Office Tenant Representation*

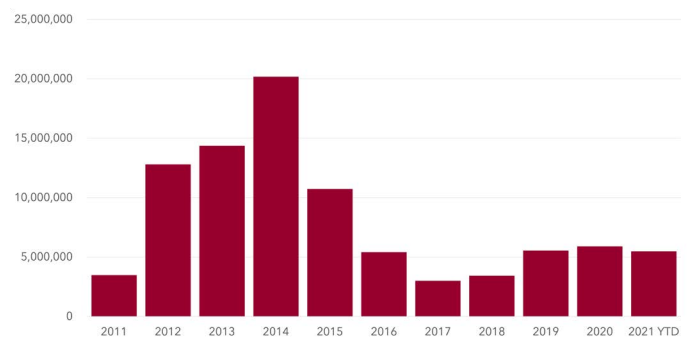
Understanding the pathology of office tenants is complicated as positive macro developments have brought many companies back to normal one year after the initial wave of COVID that sent virtually all office jobs remote, while others have adopted a permanent remote work schedule. Recent news was undoubtedly highlighted by Hewlett Packard Enterprise's announcement to triple its space commitment in Spring, TX along with other companies seeking to relocate to the Lone Star State. A lack of new hiring in the energy industry would suggest that we are not out of the woods yet, but a less aggressive pattern of negative absorption and positive sentiment among the office brokerage community may be a light at the end of the tunnel.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ 12 Mo Net Absorption	(4,126,976) SF	(4,000,111) SF	(2,348,724) SF	(1,239,443) SF	(624,655) SF
▲ Vacancy Rate	18.50%	18.20%	17.90%	17.20%	16.70%
▼ Avg NNN Asking Rate	\$28.45 PSF	\$28.46 PSF	\$28.48 PSF	\$28.65 PSF	\$28.80 PSF
▼ Under Construction SF	5,466,961	5,899,328	6,158,132	5,771,928	5,385,005
▲ Inventory SF	341,072,667	340,454,809	340,060,432	339,186,293	338,447,550

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1801 Smith Street Houston, TX	458,001 SF	Undisclosed	John Quinlan DRA Advisors, LLC	Class B
580 Westlake Park Blvd Houston, TX	455,142 SF	\$17,218,944 \$37.83 PSF	Yunan Properties, Inc. Rialto Capital Management	Class A
10777 Clay Road Houston, TX	227,484 SF	\$9,000,000 \$39.56 PSF	Capital Commercial Investments VEREIT, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4200 Westheimer Road Houston, TX	73,075 SF	Stonelake Capital Partners	Buckeye Partners, LP	Transportation and Warehousing
6500 West Loop South Bellaire, TX	65,000 SF	Capital Commercial Investments, Inc.	Undisclosed	Undisclosed
5999-6057 Savoy Drive Houston, TX	38,337 SF	Issakhanian Trust	Academy of Accelerated Learning	Educational Services

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