



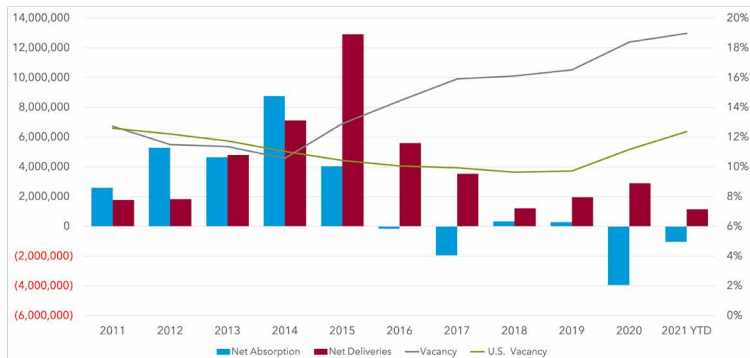
OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal, Office Tenant Representation*

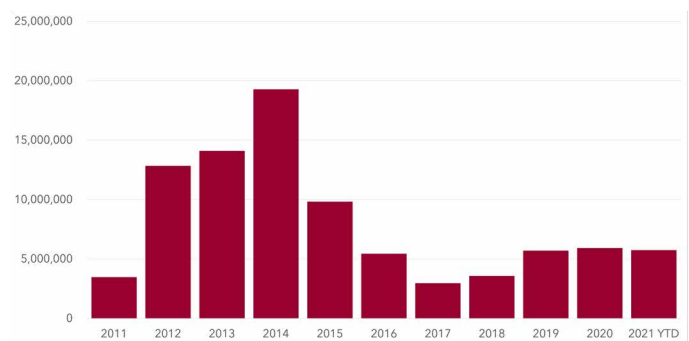
Companies continue to shed office space in a market suffering with unprecedented occupancy loss during the last year, but the sentiment is that the worst is behind us. Several companies have prospered and new opportunities have arisen in the wake of the pandemic. Total market-wide space availability is still hovering around 30%; most of which resides in aging buildings that struggle to keep up with modern workplace demands. Many large corporate users, who control most of the office space, are maintaining a work from home split schedule and reducing their office footprint, resulting in a shrinking average tenant size. Despite lingering challenges, significant regional population growth is one reason for Houstonians to be hopeful about economic activity ahead.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	(3,269,467)	(3,963,594)	(3,941,643)	(2,077,199)	(911,688)
▲ Vacancy Rate	18.9%	18.7%	18.4%	18.0%	17.3%
▼ Avg NNN Asking Rate	\$28.46	\$28.57	\$28.60	\$28.69	\$28.89
▲ SF Under Construction	5,765,907	5,470,753	5,930,126	6,190,993	5,924,334
▲ Inventory SF	340,345,688	339,878,236	339,210,111	338,841,358	337,862,385

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	Undisclosed DRA Advisors, LLC	Class B
580 Westlake Park Blvd (Part of 2 Property Sale), Houston, TX	455,142 SF	\$17,218,944 \$37.83 PSF	Yunan Properties, Inc. Rialto Capital Management	Class A
1111 Fannin Street Houston, TX	428,629 SF	\$29,600,000 \$69.06 PSF	Harris County Triten R.E. Partners/Taconic Cap Adv	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1585 Sawdust Road Woodlands, TX	120,454 SF	VEREIT	Linde PLC	Chemical
4200 Westheimer Road Houston, TX	66,064 SF	Stonelake Capital Partners	Buckeye Partners	Petroleum
6500 West Loop South Bellaire, TX	65,000 SF	Capital Commerical Investments, Inc.	NewRez	Mortgage

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