



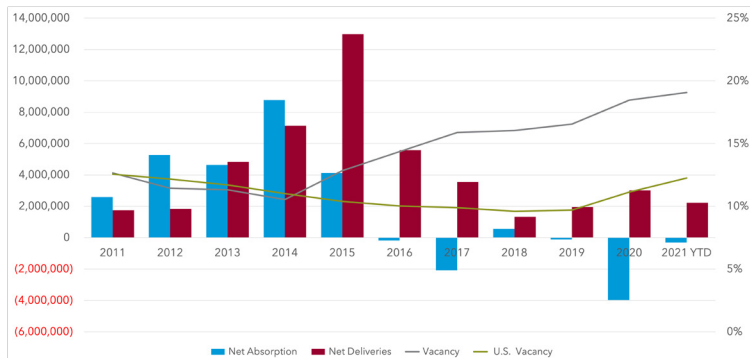
OFFICE MARKET OVERVIEW

CHRIS LEWIS, *Managing Principal*

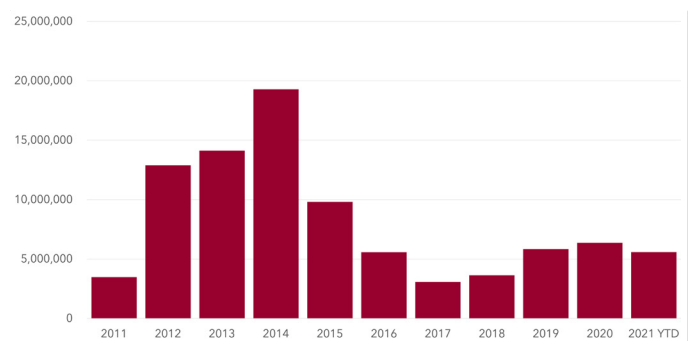
Extraordinary opportunities exist today for both landlords and tenants seeking to capitalize on the fluidity of a dynamic marketplace. The perfect storm of higher energy prices, landlord concession packages, renovated assets, and the overall work-from-home excitement waning; has established marketplaces where pent-up demand is finding a wide variety of well positioned supply in the market. Competition remains steep, but Landlords that understand how to attract the consumer of today with exciting work environments and creative economic structures will be successful in navigating through the immediate future and capturing cash flow for the investor. Tenants that are ready to commit to long term leases, will be rewarded with immense concession packages which will benefit them in the long run.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	(1,180,630)	(2,856,916)	(3,945,992)	(3,971,099)	(2,492,244)
▲ Vacancy Rate	19.1%	19.0%	18.7%	18.5%	18.1%
▼ Avg NNN Asking Rate PSF	\$28.44	\$28.45	\$28.56	\$28.59	\$28.69
▲ SF Under Construction	5,582,052	5,464,956	5,845,421	6,363,319	6,518,354
▲ Inventory SF	343,097,618	342,695,818	341,585,713	340,871,788	340,503,467

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4400 Post Oak Parkway Houston, TX	567,264 SF	Undisclosed	CP Group Rialto Capital Mgmt Shorenstein	Class A
4265 San Felipe Street Houston, TX	231,645 SF	Undisclosed	Undisclosed Undisclosed	Class A
900 Rockmead Dr (4 Property Sale) Kingwood, TX	199,183 SF	\$14,500,000 \$72.80 PSF	Undisclosed Undisclosed	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6500 West Loop South Bellaire, TX	96,145 SF	Capital Commercial Investments, Inc.	UT Physicians	Medical
10375 Richmond Avenue Houston, TX	82,604 SF	Woodbranch Management, Inc.	Undisclosed	Undisclosed
2500 CityWest Boulevard Houston, TX	56,250 SF	Patrinely Group, LLC	Aspen Technology	Software

