



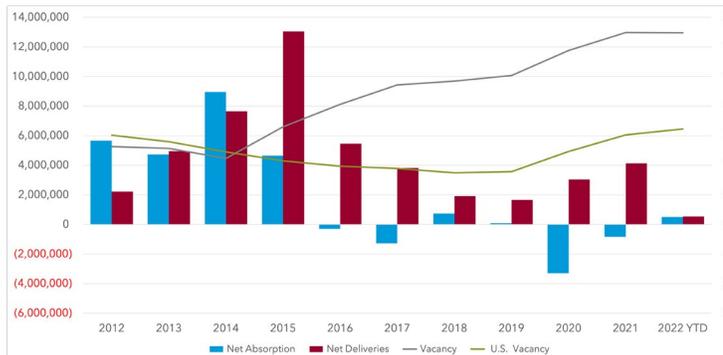
### OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal*

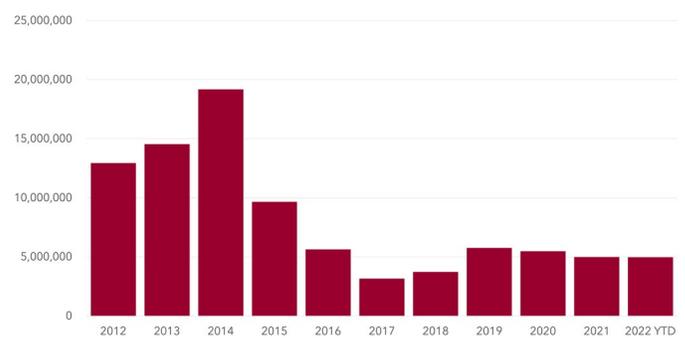
Despite continued decline, several significant lease transactions stole the show during the third quarter. Renewed investment in energy sectors and gravity toward the suburban campus environment should benefit submarkets in West Houston that have struggled with oversupply over the past several years. The office market has widely adapted to the initial wave of corporate downsizing as a function of low office attendance. Creating functional offices from large blocks of excess space is becoming prohibitive from both a construction and borrowing perspective, which will bring forth a broader economic dilemma. However, the hope is that the structural growth drivers specific to Houston (commodity prices, healthcare innovation, and labor availability) will prevail through the next real estate cycle.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ Qtrly Net Absorption SF	595,399	1,356,614	721,866	(833,433)	(1,433,381)
▲ Vacancy Rate	18.85%	18.70%	18.66%	18.97%	18.43%
▼ Avg NNN Asking Rate PSF	\$28.60	\$28.59	\$28.60	\$28.57	\$28.51
▲ SF Under Construction	4,972,046	4,774,953	4,609,929	4,993,665	5,493,443
▼ Inventory SF	349,770,692	350,015,383	349,366,765	349,232,815	347,223,746

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
700 Louisiana Street Houston, TX	1,281,007 SF	\$319,000,000 \$249 PSF	Keener Domain LLC Imp Domain LLC	Class A
9009 West Loop South Houston, TX	479,493 SF	Undisclosed	Triten Corporation Aramco Americas Services Co.	Class B
11450 Compaq Center West Drive Houston, TX	419,584 SF	Undisclosed	Capital Commercial Commercial Inc. Lone Star College System	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1111 Bagby Street Houston, TX	374,000 SF	Brookfield Properties	EOG Resources	Oil & Gas
910 Louisiana Street Houston, TX	172,301 SF	Enterprise Product Partners	Baker Botts	Law Office
575 North Dairy Ashford Houston, TX	129,231 SF	Undisclosed	Baker Hughes	Oil & Gas Services

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