



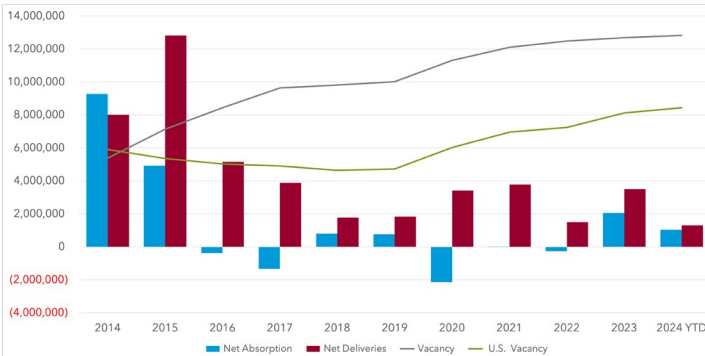
OFFICE MARKET OVERVIEW

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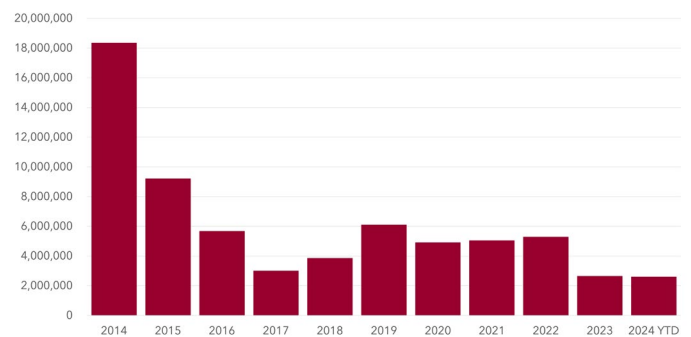
As of Q3 2024, the Houston office market demonstrates signs of gradual recovery and stabilization amid a changing economic environment. From Q2 to Q3, net absorption decreased slightly from 499,415 square feet to 490,052 square feet. Vacancy rates have also marginally declined, moving from 18.83% to 18.73%. The average asking rate for NNN leases has risen by \$0.02, from \$29.64 to \$29.66 per square foot. Conversely, sale prices per square foot have decreased slightly, from \$190 to \$186. The capitalization rate has increased from 9.60% to 9.70%. Additionally, the total square footage under construction has fallen from 2.7 million to 2.6 million, while overall inventory remains steady at 360 million square feet.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	490,052	499,415	(705,925)	1,377,320	(542,744)
▼ Vacancy Rate	18.73%	18.83%	18.92%	18.54%	18.64%
▲ Avg NNN Asking Rate PSF	\$29.66	\$29.64	\$29.48	\$29.36	\$29.25
▼ Sale Price PSF	\$186.00	\$190.00	\$190.00	\$191.00	\$196.00
▲ Cap Rate	9.7%	9.6%	9.6%	9.5%	9.3%
▼ Under Construction SF	2,600,000	2,700,000	1,900,000	2,600,000	4,300,000
◀ ▶ Inventory SF	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
712 Main Street Houston, TX	794,186 SF	\$35,751,143 \$45.02 PSF	The Wideman Company Midway	Class B
9700-9702 Bissonet Street Houston, TX	525,580 SF	\$18,620,250 \$35.43 PSF	S Hashmi Holdings LLC Omninet Capital	Class B
6500 West Loop South Houston, TX	389,726 SF	Undisclosed	The University of Texas System Capital Commercial Investments	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8101 W Sam Houston Parkway S Houston, TX	136,800 SF	Sagard Real Estate, GWL Realty Advisors	BlueCross BlueShield	Insurance
2101 CityWest Boulevard Houston, TX	110,250 SF	Parkway 3Edgewood LLC	Noble Corporation	Oil and Gas
2103 CityWest Boulevard Houston, TX	108,724 SF	Parkway 3Edgewood LLC	Bechtel Corporation	Professional, Scientific, and Technical Services

