



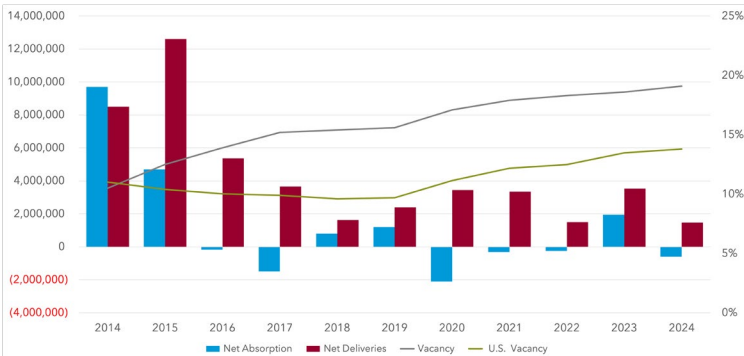
OFFICE MARKET OVERVIEW

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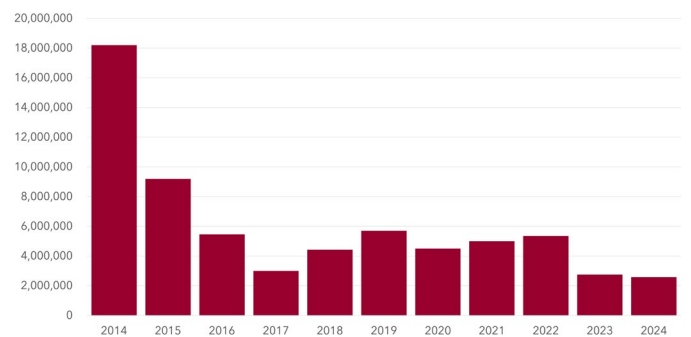
As move-outs continue to slow, the Houston office market is steadily stabilizing, approaching pre-pandemic levels. By Q4 2024, the city's total office vacancy rate stands at 22.7%, with projections suggesting it will plateau in the near future. Houston ranks among the top five cities in the U.S. for office attendance, despite a slight decline in jobs requiring in-office work. This trend, however, remains above the national average. Leasing activity for suburban Class A office spaces continues to lead the market. Looking ahead to 2025, Class A buildings are expected to remain the most desirable, with strong leasing potential driven by the increasing implementation of return-to-office mandates.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(55,889)	490,052	499,415	(705,925)	1,377,320
▲ Vacancy Rate	22.70%	18.73%	18.83%	18.92%	18.64%
▲ Avg NNN Asking Rate PSF	\$30.57	\$29.66	\$29.64	\$29.48	\$29.36
▼ Sale Price PSF	\$187	\$190	\$190	\$191	\$191
▲ Cap Rate	9.89%	9.70%	9.60%	9.60%	9.50%
◀ ▶ Under Construction SF	2,600,000	2,600,000	2,700,000	1,900,000	2,600,000
◀ ▶ 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
1001 Noble Energy Way Houston, TX	521,949 SF	Undisclosed	Capital Commercial Investments Chevron	Class A
14141 Southwest Freeway Houston, TX	516,523 SF	Undisclosed	Ameeco Management Madison Marquette	Class A
10603 West Sam Houston Parkway Houston, TX	380,000 SF	Undisclosed	Interra Properties Sun Life	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
333 Clay Street Houston, TX	259,774 SF	Brookfield	Plains All American Pipeline	Oil & Gas
10900 Equity Drive Houston, TX	109,833 SF	Uninational Corporation	Quest Diagnostics	Medical Laboratories
5959 Corporate Drive Houston, TX	94,179 SF	Prescott Realty	Ezee Fiber	Internet Service

