



SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
3010 Briarpark Dr	Westchase	106,000	Empyrean Benefits Soltns
2929 Allen Parkway	Inner Loop	90,000	Marsh Wortham
909 Fannin	CBD	105,000	Direct Energy

SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
Chase Center - 600 Travis CBD Houston	Undisclosed Investment	- -	2,100,000 Class A	Cerberus Capital & Hines Hariri Interests
6363 Woodway Galleria	\$102,600,000 Investment	\$190.00 -	540,000 Class B	CapRidge Partners LLC Unilev Capital Corp
20 Greenway Plaza Greenway Plaza	Undisclosed Leasehold	- -	433,132 Class A	Stockdale Capital Ptnrs Principal Financial Grp

LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
800 Capitol St B of A Tower	CBD Houston	780,593	Skanska USA
1700 City Plaza Dr CityPlace 1	Spring	149,500	Patrinely Group LLC
121 Vision Park Blvd (Medical)	The Woodlands	58,000	Everson Dev. LLC


LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
8770 New Trails Dr	The Woodlands	180,000	Feb. 2020
845 Texas Ave - Texas Tower	CBD Houston	1,123,699	Oct. 2021
4200 Westheimer Rd River Oaks	River Oaks	207,202	Mar. 2020


TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q2 2019	16.5%	\$27.93	171,814	332,000,000	3,266,628
Q1 2019	16.0%	\$27.86	220,612	331,000,000	3,700,000
Q4 2018	16.4%	\$27.76	1,009,734	331,000,000	3,300,000
Q3 2018	16.5%	\$27.77	383,546	330,000,000	4,200,000
Q2 2018	16.7%	\$27.64	(335,765)	329,000,000	3,000,000

 **171,814** NET ABSORPTION SF

 **16.5%** VACANCY
16,494,338 SF

 **\$27.93** AVG. ASKING RATE PSF GROSS

 **1,008,093** DELIVERIES
6 Buildings

 **3,266,628** UNDER CONSTRUCTION
75 Buildings

JILL NESLONEY, Director

The office market has been slow to make a full recovery in Houston. Vacant office space is slowly and steadily being absorbed but it will likely take another year or two before we see Houston recover fully. We have consistently seen high vacancy rates for two years now. The citywide vacancy rate has been hovering above 16% since 2017. Landlords are doing everything they can to retain tenants since there are so many competitive alternate options available. Landlords are also trying to make improvements to their properties to retain tenants. Many buildings are adding fitness centers, tenant lounges, delis, concierge services, tenant conference rooms, coffee shops and other amenities to help retain and attract tenants. Landlords of older properties or Class B buildings are now competing with Class A properties that normally have many more amenities.