

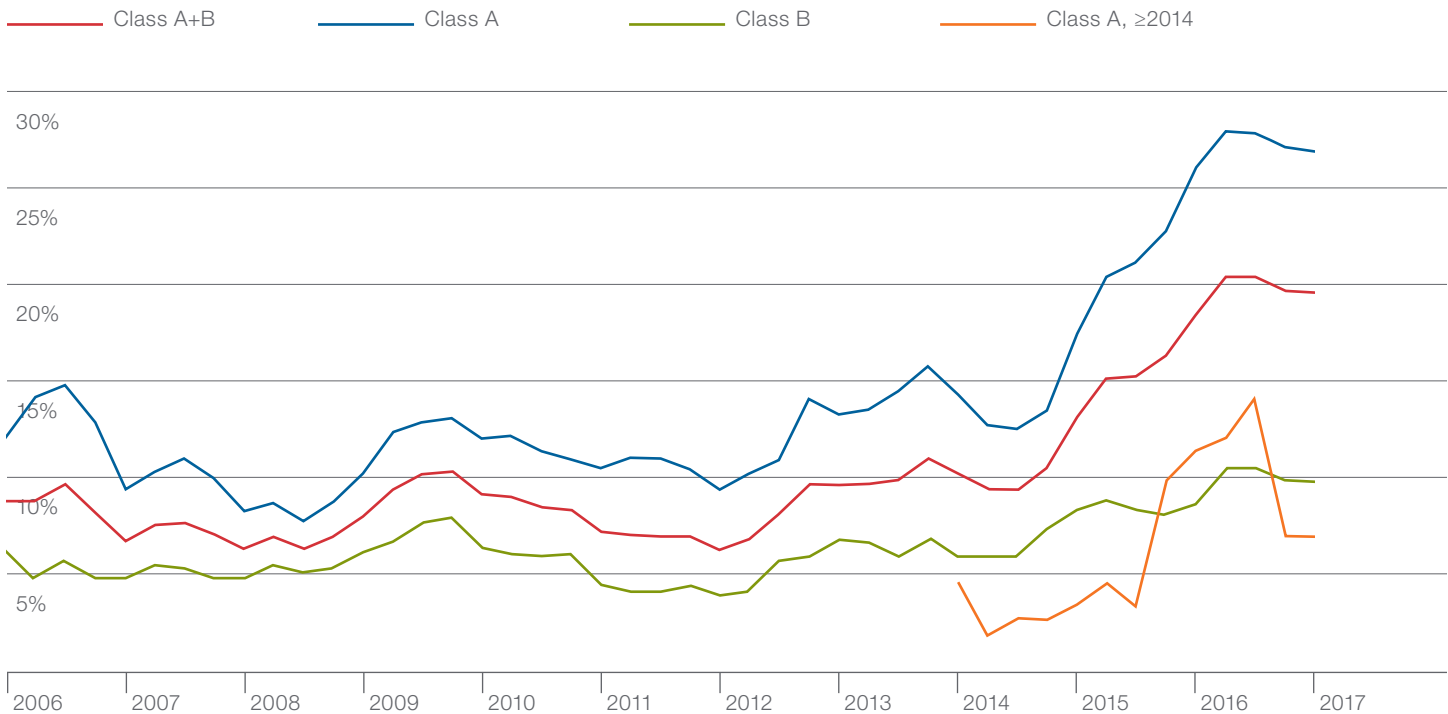
SUBLEASE DIGEST

Houston Office

JANUARY 2017

Sublease availability ceases to increase and maintains its plateau as we move into 2017 with 11.8 million sq. ft.

Sublease Availability, % of Total Available



Highlights

From a peak of 12.4 million sq. ft. in Q3 2016, sublease availability is down to 11.8 million sq. ft. early in Q1 2017.

Down from a 20.4% peak in Q2 2016, sublease space as a percent of total availability of Class A and B buildings is 19.6%.

Most sublease space remains in Class A buildings, for which 26.9% of total availability is sublet; this is down from 28.0% in Q2 2016.

Sublease availability had a modest impact on Class B space, peaking at 10.5% of total availability in Q2 2016 and currently at 9.8% of total availability.

More than 85% of sublease availability is in buildings with 50,000 sq. ft. or more of sublease space.

Building Type	QTD 2017 RBA (SQ. FT.)	% Sublease Availability	% Change In Availability	
			QoQ	Since Q3 2014
Class A+B	11,841,351	19.6 %	-0.7 %	109.9 %
Class A	9,320,582	26.9 %	-1.0 %	114.8 %
Class B	2,520,769	9.8 %	-0.2 %	67.9 %
Class A, ≥2014	487,771	6.9 %	-0.2 %	153.0 %

Sublease availability for quarter to date for Q4 2016 in rentable building area (RBA) and as percent (%) of total available space (sublease RBA divided by total available RBA). Direct availability is 100 minus % sublease availability. Quarter-over-quarter (QoQ) shows percent change since last quarter. The last column "Since Q3 2014" shows percent change since the oil downturn began to manifest in the office market. Data Source: CoStar; NAI Partners Analytics

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