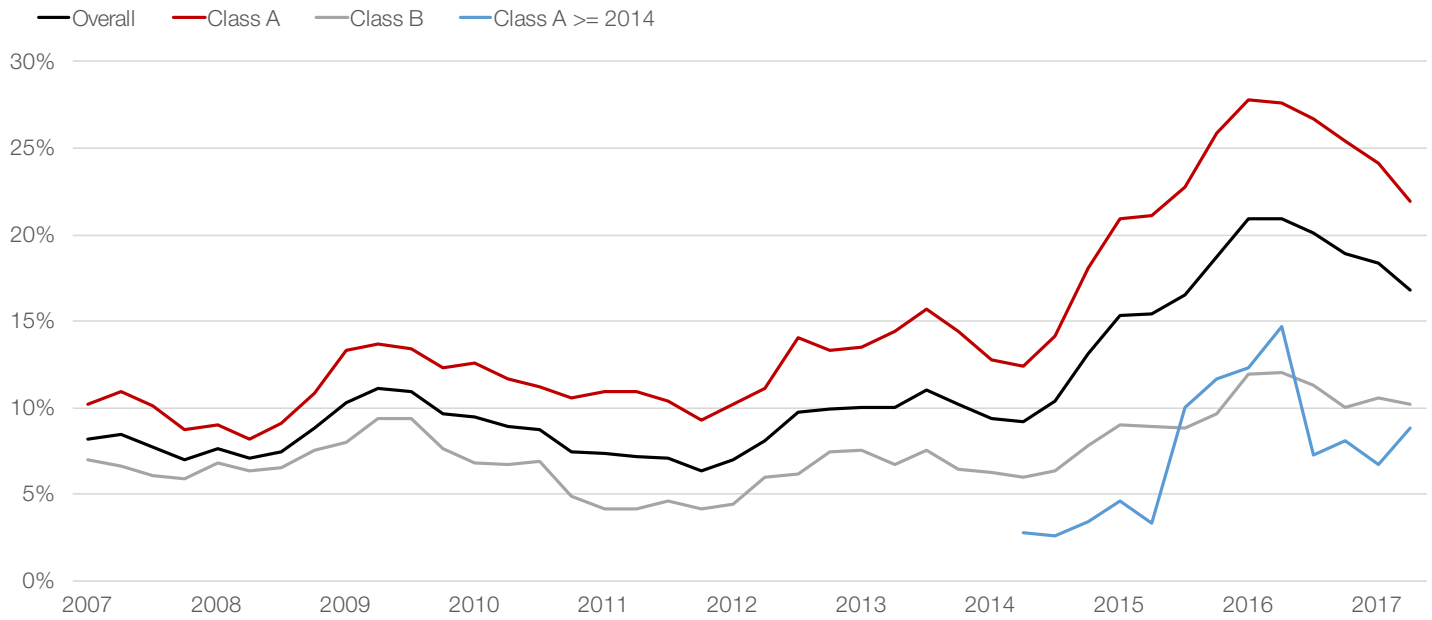


# SUBLEASE DIGEST Houston Office

SEPTEMBER 2017

Sublease average gross rental rate down 23% since oil downturn.

Sublease Availability, % of Total Available



## Highlights

### Sublease space as percentage of total shrinks.

The amount of sublease space as a percentage of the total amount of available space decreased to 16.8%, compared to 17.8% at this time last month. The total amount of available sublease space stands at 10.1 million sq. ft.

**Price for sublease space down.** The average gross rental rate for sublease space is at \$20.73 per sq. ft., down \$6.30 or 23.3% since the oil downturn began to manifest in the office market Q3 2014.

**NRG Energy seals the deal.** The energy company is subleasing 431,037 sq. ft. from Shell Oil Co. at One Shell Plaza—910 Louisiana in downtown Houston. NRG will occupy 18 floors within the 50-story, 1.1 million sq. ft. high-rise in the Houston CBD. This transaction marks the city’s largest sublease deal since the oil slump began more than two years ago, with a term through Dec. 31, 2025, when Shell Oil Co.’s lease expires.

Building Type	Sept. 22, 2017 Available Sublease (SF)	% Sublease Availability	% Change In Availability	
			Since Q2 2017	Since Q3 2014
Overall	10,142,450	16.8%	-8.2%	150.3%
Class A	7,833,213	22.0%	-9.9%	164.3%
Class B	2,277,464	10.2%	-1.6%	110.8%
Class A >= 2014	617,524	8.8%	31.4%	252.1%

The last column “Since Q3 2014” shows percent change since the oil downturn began to manifest in the office market. Source: NAI Partners Research.

**Leta Wauson**  
Director of Research  
leta.wauson@naipartners.com  
tel 713 275 9618

**NAIPartners**  
HOUSTON | AUSTIN | SAN ANTONIO  
[www.naipartners.com](http://www.naipartners.com)