

Monthly Market Snapshot

NOVEMBER 2017

Market Highlights

Less office inventory damage than expected from Harvey. Hurricane Harvey's impact on Houston's office market was far less evident than the severe blow to single-family residential. The storm is being called a 1,000-year flood event racking up \$87 billion in costs across Texas, including 39,000 Houston homes with major damage, and 300,000 vehicles totaled. Most of the affected office buildings were operational soon after Harvey or will be repaired by the end of 2017.

Saudi Aramco subleases 200,000 sq. ft. at Two Allen Center. The HBJ reported Saudi Aramco is subleasing the space from Devon Energy, which dropped more than 500,000 sq. ft. in Two Allen Center on the sublease market when it moved out of Houston in 2013. In October 2017, Chevron Corp. terminated its sublease agreement on the space from Devon Energy. The amount of available sublease space stands at 9.3 million sq. ft.—or 4.1% of total inventory—and available direct space at 51.6 million sq. ft., or 22.4% of total inventory as of the beginning of the fourth quarter of 2017.

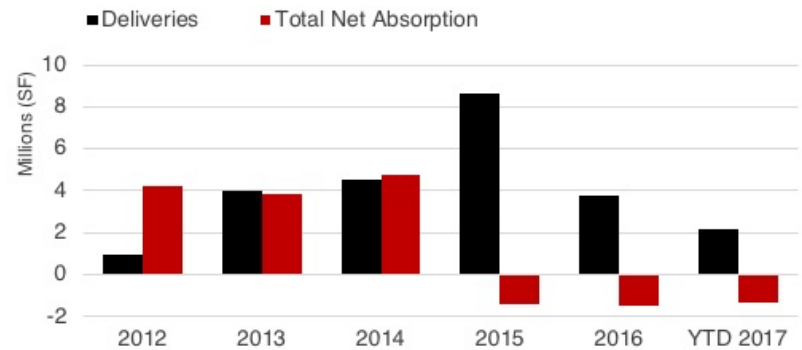
Harvey's Effect on Jobs. According to the Texas Workforce Commission, the Houston metro lost 16,000 jobs in September, mostly due to Hurricane Harvey. The greater part of the losses was reflected in food services and drinking places, retail, administrative support, and construction. The losses are considered temporary and should be recovered by November.

Oil Price Optimism. WTI traded between \$49.34 and \$54.11 a barrel in October 2017 compared to \$46.83 to \$51.59 per barrel this time last year. The EIA forecasts WTI to average \$50.67 next year.

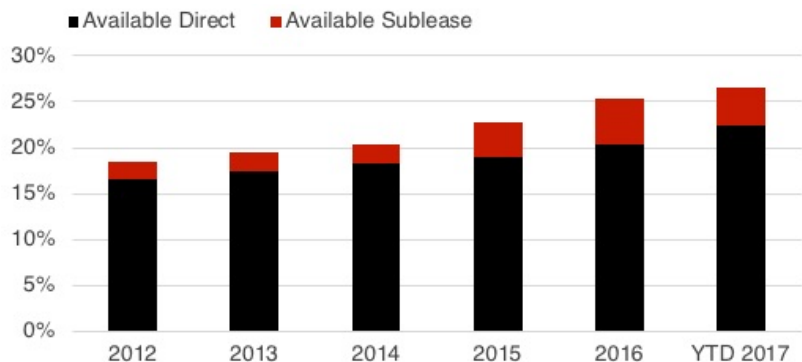
Market Activity

	YTD 2017
Vacancy	20.4%
Availability	26.1%
Net Absorption (SF)	(1.3)M
Leasing Activity (SF)	11.5M
Deliveries (SF)	2.1M
Under Construction (SF)	2.1M
Gross Avg Asking Rent	\$27.93

Supply & Demand



Availability



Leta Wauson

Director of Research

leta.wauson@naipartners.com

tel 713 275 9618

NAIPartners

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www.naipartners.com