

Monthly Market Snapshot

NOVEMBER 2017

Market Highlights

LaCenterra at Cinco Ranch sold. RCA data reports year-to-date retail shops and centers sales volume in the Houston area at \$1,240.6 billion, resulting in a year-over-year change of -6%. The buyer composition is made up of 56% private, 25% institutional, and 17% REIT/listed. A recent transaction in the local market is the acquisition by PGIM Real Estate of LaCenterra at Cinco Ranch, a 413,000-sq.-ft. retail center from Amstar JV Vista Group. The Katy property was built in 2007 and 97% occupied at the time of sale.

Buffalo Bayou Brewing Co. coming to Sawyer Yards. Construction will begin soon on a \$14 million, 28,000-sq.-ft., three-story complex in the arts-and-entertainment district west of downtown for craft beer lovers throughout the Houston area. The unique project places the brewing operations at the center of the facility with the public spaces and offices around it, including a 30-foot-long skylight allowing people to look into the production facility.

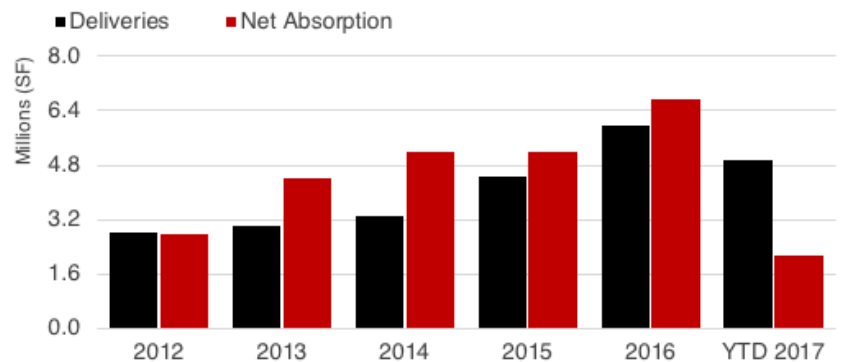
Retail market statistics. Year-to-date, Houston's retail market saw 2.1 million sq. ft. in absorption, 4.9 million sq. ft. in deliveries, and 4.0 million sq. ft. under construction. Occupancy has remained around 94.4% and the average asking NNN rent continued to inch up to \$16.49.

Houston Ranks #2 in the nation, despite Harvey. According to Metrostudy, Houston had 27,713 housing starts for the 12-month period ending Sept. 30, a 6.4% increase over 2016. In addition, Houston builders sold 7,540 houses in the third quarter, up somewhat from the 7,427 sold this time last year. Hurricane Harvey's impact to Houston's new home market and potential future buyers will not be clear until dealing with damage to homes, short-term housing, and insurance claims have progressed further into 2018.

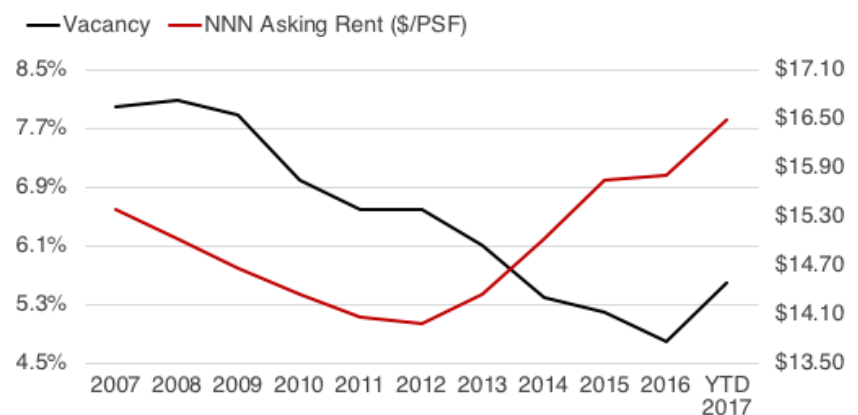
Market Activity

	YTD 2017
Occupancy Rate	94.4%
Net Absorption (SF)	2,136,229
Leasing Activity (SF)	6,121,923
Deliveries (SF)	4,952,907
Under Construction (SF)	4,076,242
Avg Asking NNN Rent (PSF)	\$16.49

Supply & Demand



Vacancy & Rent



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