

Monthly Market Snapshot

SEPTEMBER 2017

Market Highlights

Local retailers leaned on heavily before, during and after Harvey. As weather service alerts began days before the impact of Harvey was felt, disaster-response plans were put into action. Many home improvement, discount and grocery store retailers were ready to distribute critical supplies. Notably, well-regarded local supermarket H-E-B drew widespread praise for managing to open 60 of its 83 stores in Houston the Sunday after Hurricane Harvey slammed into Texas as a Category 4 storm.

Regional economy could get a jolt as rebuilding begins. Local experts say that a transitory spike in retail sales and construction that comes after every storm will likely offset some of the immediate economic trouble caused by Harvey. The long-term damage is predominantly limited to housing and convenience-oriented small retail businesses located in neighborhood and strip centers.

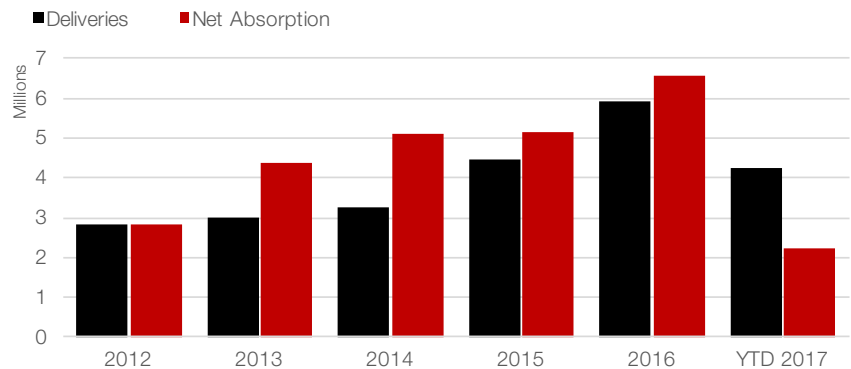
Harvey, Houston and Housing. According to FEMA, more than 30 counties and more than 100,000 properties have been impacted in some way by Harvey. Houston home sales sank for the first time in nearly a year in the aftershock of the storm, according to the Houston Association of Realtors. Despite Harvey's destruction, year-to-date home sales are up 1.8% from last year, therefore not excluding the possibility for 2017 to be the most robust year ever for home sales.

Retail market statistics. Year-to-date, Houston's retail market saw 2.2 million sq. ft. in absorption, 4.3 million sq. ft. in deliveries, and 4.2 million sq. ft. under construction. Vacancy dropped 10 basis points to 5.6%, from 5.7% this time last month as the average asking NNN rent continued to climb up to \$16.46.

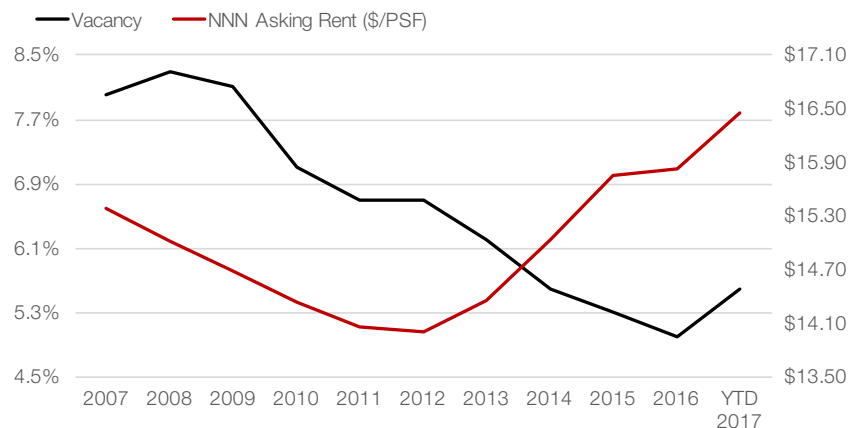
Market Activity

	YTD 2017
Occupancy Rate	94.4%
Net Absorption (SF)	2,249,306
Leasing Activity (SF)	4,560,592
Deliveries (SF)	4,263,713
Under Construction (SF)	4,151,304
Avg Asking NNN Rent (PSF)	\$16.46

Supply & Demand



Vacancy & Rent



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