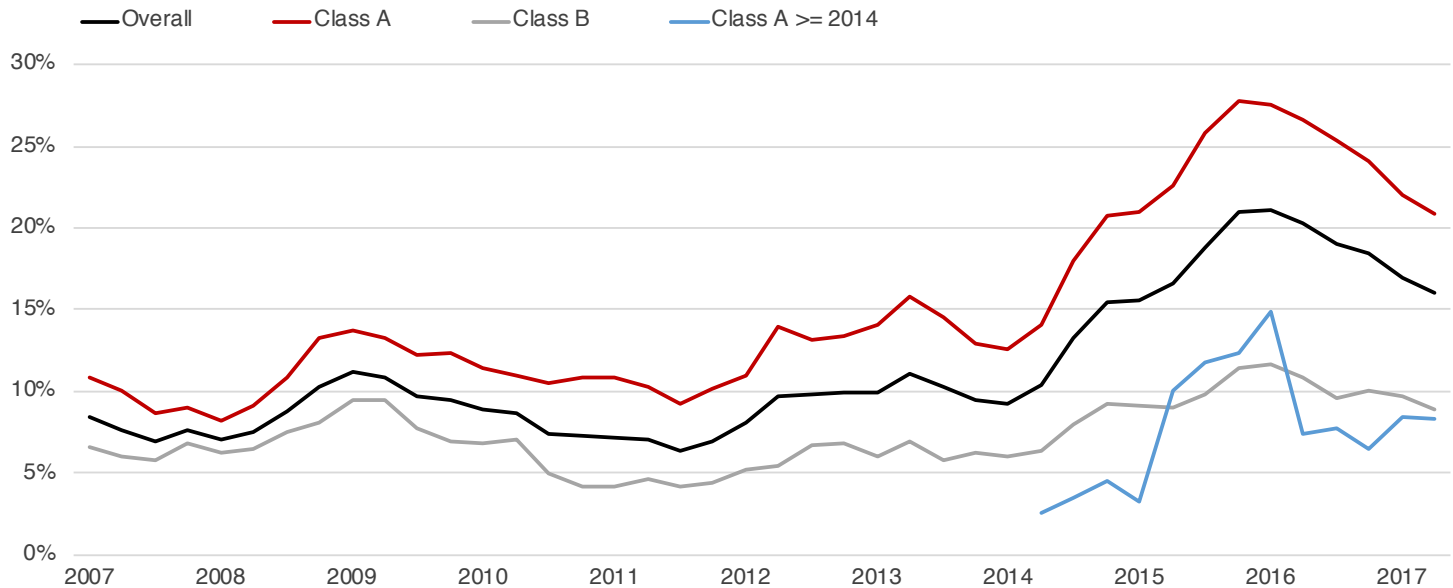


SUBLEASE DIGEST Houston Office

NOVEMBER 2017

Sublease space remains below 10 million sq. ft. nearing the end of 2017

Sublease Availability, % of Total Available



Highlights

Sublease space remains below 10 million sq. ft. The amount of sublease space as a percentage of the total amount of available space decreased to 15.0%, compared to 15.4% at this time last month. The amount of available sublease space stands at 9.3 million sq. ft., or 4.1%, and available direct space at 49.9 million sq. ft., or 21.6% of total inventory as of the end of November.

Price for sublease space in newer office buildings continues to fall. The average asking gross rental rate for sublease space in Class A buildings built in 2014 or newer is at \$21.60 per sq. ft., down \$16.67 or 43.6% since the oil downturn became apparent in the office market in Q3 2014.

Sublease Transactions. Stewart Title Co. signed a 156,151-sq.-ft. sublease in BHP Billiton Tower at 1360 Post Oak Blvd., occupying seven floors, with a projected move-in date of June 2019. Sizable amounts of sublease space taken off the market include 113,741 sq. ft. in America Tower at 2929 Allen Parkway; and 106,904 sq. ft. occupied by Empyrean Benefit Solutions, in Pinnacle Westchase at 3010 Briarpark Drive. The major move-outs involve FMC Technologies vacating 111,176 sq. ft. of space in Beltway Lakes at 5875 N. Sam Houston Parkway W.; 89,649 sq. ft. left by Atwood Oceanics in Energy Crossing II at 15011 Katy Freeway; and 69,009 sq. ft. emptied by Chicago Bridge & Iron at 1430 Enclave Parkway.

Building Type	Nov. 30, 2017 Available Sublease (SF)	% Sublease Availability	% Change In Availability	
			Since Q3 2017	Since Q3 2014
Overall	9,363,979	16.0%	-15.0%	131.0%
Class A	7,312,331	20.9%	-16.2%	146.2%
Class B	1,877,649	8.9%	-11.5%	75.9%
Class A >= 2014	537,980	8.3%	21.9%	206.8%

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

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