

Monthly Market Snapshot

JUNE 2019

Market Highlights

Stability at the intersection of supply and demand. Occupancy is at 94.6% nearing the end of the second quarter, a rate that has been maintained since Q2 2014. Of the 3.8 million sq. ft. currently under construction, over half (53.7%) of that space has been spoken for. The Houston retail market has recorded 2.7 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—matching the year-to-date activity from one year ago. In addition, the net amount of square feet absorbed stood at 1.6 million, with new supply delivering an equal 1.6 million sq. ft. to the market this year. The rising average asking rate of renting retail space is at a record high for Houston at \$18.11 per sq. ft. on a triple net basis, up 6.2% from this time last year at \$17.06 per sq. ft.

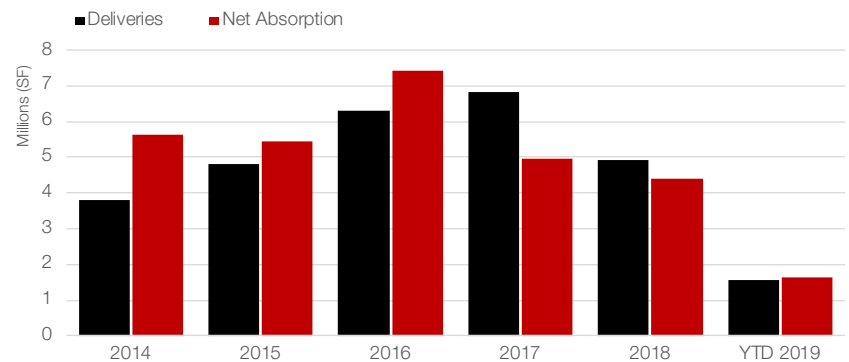
Boutique mixed-use project. The two-story, 112,000-sq.-ft. building at 1801 Post Oak Blvd. will be the new home to Zadok Jewelers. It will include a 26,000-sq.-ft. showroom, 68,000 sq. ft. of boutique office space and 11,000 sq. ft. of restaurant space. The new store is more than double the size of its current 12,000-sq.-ft. location at 1749 Post Oak Blvd. where the family jeweler's store has been for 43 years. Zadok Jewelers announced that it will break ground on the building in Houston's Uptown-Galleria area in August and the new storefront will open in 2020.

Rooftops and retail. According to the Houston Association of Realtors, May marked the fourth straight month of sales gains, and the median price of a home hit a new high. High-end housing—homes that sold for a minimum of \$750,000—led the way in sales volume, increasing the overall median price to a high of \$249,993, up 2.4% from a year ago. Inventory grew to its highest level since August 2017 for buyers of single-family homes, up 11% from a year earlier.

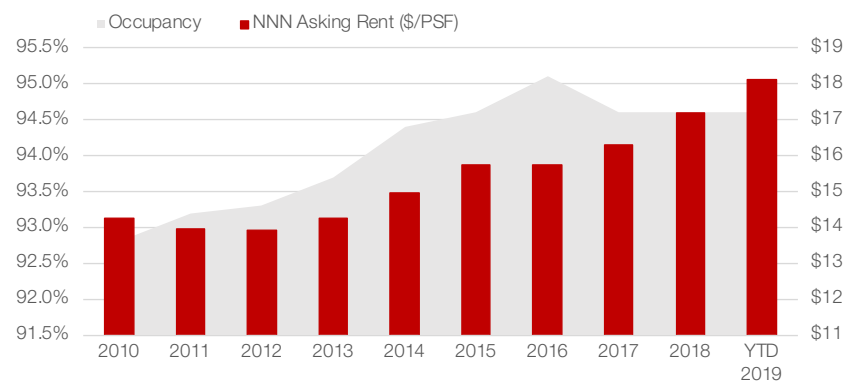
Market Activity

	Year-to-Date June	
	2019	2018
Occupancy Rate	94.6%	↑ 94.5%
Net Absorption (SF)	1,648,991	↑ 1,342,411
Leasing Activity (SF)	2,726,950	▬ 2,764,295
Deliveries (SF)	1,573,597	↓ 1,708,901
Under Construction (SF)	3,839,163	↓ 4,681,499
Avg Asking NNN Rent (PSF)	\$18.11	↑ \$17.06

Supply & Demand



Occupancy & Rent



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