

# HOUSTON OFFICE | ABSORPTION Market Insight

JANUARY 2020

## Houston Absorption Heat Map

**Katy Freeway East** ranked #1, absorbing 17.2% of the available space in its submarket in 2019. Thirteen of the 23 submarkets in the metro recorded overall positive net absorption in 2019, with Katy Freeway East absorbing the third highest total – 264,798 sq. ft. A significant transaction in Q3 2019 included McGriff, Seibels & Williams, Inc. moving into 69,448 sq. ft. in MetroNational Memorial City; a deal the company inked in December 2018.

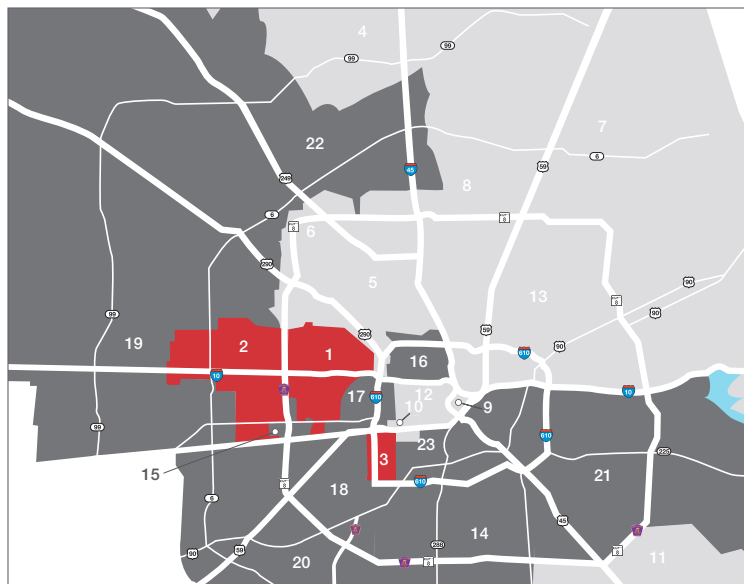
**Energy Corridor** absorbed 9.9% of the available space in its submarket, claiming the #2 spot with the help of Transocean taking occupancy of 300,906 sq. ft. at 1414 Enclave Parkway in Q4 2019—a deal that was signed in September 2018. In addition, The Cannon at 1336 Brittmoore Road came online with 120,000 sq. ft. in Q2 2019. The Energy Corridor had the highest total of net absorption – 653,550 sq. ft. in 2019.

**Bellaire** came in at the #3 position, absorbing 9.7% of the available space in its submarket in 2019. Adjacent to Uptown/Galleria and the Texas Medical Center, Bellaire is a smaller, more mature office submarket. The largest lease signed in Bellaire last year was a renewal by UniversalPegasus for 113,000 sq. ft. at Loop Central II. Existing large tenants include AT&T (400,000 sq. ft.); Texas Children’s Hospital (180,000 sq. ft.); and Well Care Health Plans (145,000 sq. ft.).

### Legend (percentile)

■ Top 10th    □ Top 50th    ■ Bottom 50th

*The map reflects activity relative to the office market, displayed as net absorption (total sq. ft. occupied less total space vacated) as a percentage of the available space (all space that is available for lease, regardless whether it is currently vacant) for a given quarter, by submarket. The legend, indicates where each submarket ranks in relation to all of the other submarkets, expressed in percentiles.*



| Submarket                | 2019 Net Absorption (SF) | 2019 Available Space (SF) | Absorption as % of Available Space | Overall Availability Rate |
|--------------------------|--------------------------|---------------------------|------------------------------------|---------------------------|
| 1 Katy Freeway           | 264,798                  | 1,538,058                 | 17.2%                              | 14.8%                     |
| 2 Energy Corridor        | 653,550                  | 6,599,116                 | 9.9%                               | 29.6%                     |
| 3 Bellaire               | 84,508                   | 868,774                   | 9.7%                               | 21.6%                     |
| 4 Woodlands/Conroe       | 255,889                  | 2,966,586                 | 8.6%                               | 19.8%                     |
| 5 Northwest              | 80,352                   | 939,034                   | 8.6%                               | 23.1%                     |
| 6 West Belt              | 69,741                   | 1,355,596                 | 5.1%                               | 25.2%                     |
| 7 Kingwood/Humble        | 10,500                   | 239,214                   | 4.4%                               | 16.0%                     |
| 8 Greenspoint/North Belt | 205,197                  | 5,478,250                 | 3.7%                               | 47.6%                     |
| 9 CBD                    | 464,757                  | 12,954,345                | 3.6%                               | 31.5%                     |
| 10 Greenway Plaza        | 90,106                   | 2,757,463                 | 3.3%                               | 25.5%                     |
| 11 NASA/Clear Lake/SE    | 41,971                   | 1,372,024                 | 3.1%                               | 17.6%                     |
| 12 Midtown               | 17,647                   | 1,065,439                 | 1.7%                               | 17.1%                     |
| 13 Northeast             | 6,367                    | 445,275                   | 1.4%                               | 18.4%                     |
| 14 Pearland/South        | -332                     | 209,670                   | -0.2%                              | 12.1%                     |
| 15 Westchase             | -124,692                 | 4,862,980                 | -2.6%                              | 31.7%                     |
| 16 North Loop West       | -31,238                  | 1,084,032                 | -2.9%                              | 23.4%                     |
| 17 Galleria/West Loop    | -253,868                 | 7,656,346                 | -3.3%                              | 26.3%                     |
| 18 Southwest             | -136,484                 | 2,837,847                 | -4.8%                              | 23.8%                     |
| 19 Katy/Grand Pkwy W     | -65,172                  | 922,544                   | -7.1%                              | 24.6%                     |
| 20 Sugar Land/E Ft Bend  | -134,734                 | 1,237,033                 | -10.9%                             | 17.8%                     |
| 21 Gulf Fwy/Pasadena     | -113,651                 | 855,424                   | -13.3%                             | 24.2%                     |
| 22 FM 1960/Hwy 249       | -421,565                 | 3,076,279                 | -13.7%                             | 27.7%                     |
| 23 Medical Center        | -121,110                 | 794,181                   | -15.2%                             | 8.4%                      |

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