Market Highlights

**Positive market fundamentals.** Occupancy is at 94.3% as of January 2020, down 10 basis points from this time last year. Of the 3.2 million sq. ft. currently under construction, about 66% of that space has been spoken for. The Houston retail market has recorded 532,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—a total that was 7% less than the year-to-date activity from one year ago. In addition, the net amount of square feet absorbed stands at 175,000 sq. ft., with new supply delivering 557,000 sq. ft. to the market this year, of which 72% is occupied. The rising average asking rate of renting retail space in Houston is at $17.92 per sq. ft. on a triple net basis, up 1.4% from this time in 2018 at $17.68 per sq. ft.

**Brookhollow Marketplace.** Construction has begun on Brookhollow Marketplace, a 200,000-sq.-ft. retail center on the site of the former Exxon campus. The retail redevelopment project will be home to retailers Burlington, Michaels, Ross Dress for Less, T.J. Maxx, Ulta, Old Navy, Rack Room Shoes, and Five Below. The power center is located on the corner of State Highway 290 and Dacoma Street. Store openings are scheduled for fall 2020. In addition, an 80,000-sq.-ft. Floor & Décor is also planned to open east of the center.

**Record level home sales in 2019.** According to the Houston Association of Realtors, single-family home sales for 2019 exceeded 2018’s record volume by nearly 5%. 2019 single-family home sales rose 4.8%; while sales of all property types totaled a 4.3% increase over 2018’s record volume. Total dollar volume for 2019 climbed 6.7% to a record-breaking $30 billion. Records were set throughout the year, with July registering Houston’s greatest one-month sales volume of all time—8,918 single-family units sold.

### Market Activity

<table>
<thead>
<tr>
<th></th>
<th>Year-to-Date</th>
<th>Month</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupancy Rate</strong></td>
<td>94.3%</td>
<td></td>
<td>94.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Absorption (SF)</strong></td>
<td>175,489</td>
<td></td>
<td>-78,010</td>
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<tr>
<td><strong>Leasing Activity (SF)</strong></td>
<td>532,493</td>
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<td>571,943</td>
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<tr>
<td><strong>Deliveries (SF)</strong></td>
<td>557,197</td>
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<td>500,427</td>
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<tr>
<td><strong>Under Construction (SF)</strong></td>
<td>3,153,316</td>
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<td>3,739,825</td>
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<tr>
<td><strong>Avg Asking NNN Rent (PSF)</strong></td>
<td>$17.92</td>
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<td>$17.68</td>
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</tr>
</tbody>
</table>

### Supply & Demand

- Deliveries
- Net Absorption

### Occupancy & Rent

- Occupancy
- NNN Asking Rent ($/PSF)

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**HOUSTON RETAIL**

**Monthly Market Snapshot**

**FEBRUARY 2020**