

HOUSTON INDUSTRIAL Monthly Market Snapshot

SEPTEMBER 2020

Market Highlights

Vacancy at 8.5%. Overall vacancy is at 8.5%, up from this time last year at 6.3%, due in part to the 11.5 million sq. ft. of vacant space delivered to the market so far in 2020—60% of the total 19.0 million sq. ft. completed. Of the 16.6 million sq. ft. currently under construction, 57% of that space is available for lease. The vacancy rate for Class A properties is at 17.3%, up from 12.0% this time last year. The Houston industrial market has recorded 15.6 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—while net absorption (move-ins minus move-outs) is at 6.9 million sq. ft., up from 4.9 million sq. ft. as of August 2019. The asking price for industrial properties is currently at an average monthly rate of \$0.65 per sq. ft., up from this time last year at \$0.61 per sq. ft., due primarily to the new product added to the market.

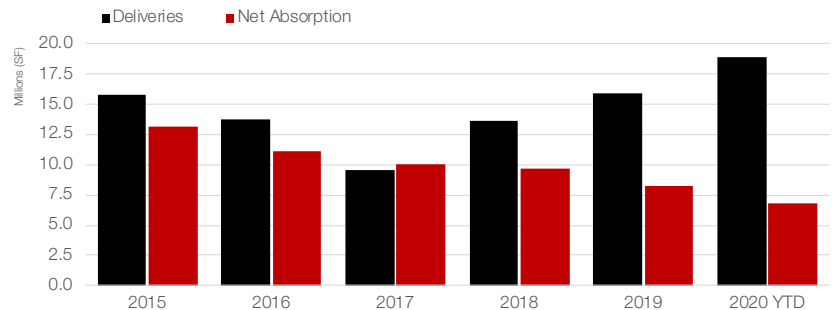
Cedar Port site acquired. Welcome Group purchased 23 acres of land located on Cedar Boulevard at TGS Cedar Port's Cedar Port Industrial Park. Located near Baytown, the largest master-planned rail-and-barge-served industrial park in the U.S., Cedar Port covers 15,000 acres. Major companies located within Cedar Port include IKEA with a one million sq.-ft. facility; Home Depot; and Walmart, which has its largest import distribution complex at the park.

Silver lining for Port Houston Cargo. A recent increase in activity included two record days for truck transactions at the Barbour's Cut Container Terminal in July, processing more than 4,000 transactions each day. Another positive sign, Port Houston received one extra loader in July to handle peak Trans-Pacific volumes and is expecting four more in August. Record gate moves and extra loaders are positive signs this summer at Port Houston, nevertheless, container twenty-foot equivalent units (TEUs) at the largest container port on the United States Gulf Coast continued showing coronavirus effects and was down 10% in July.

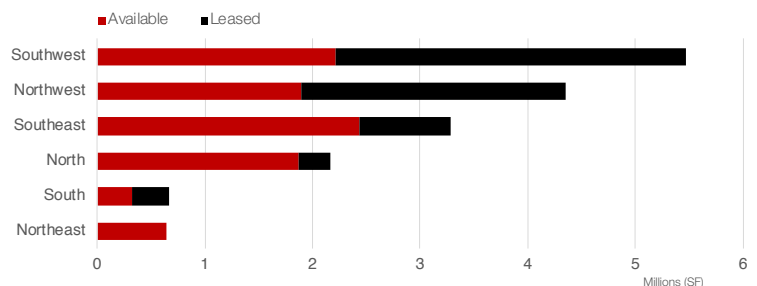
Market Activity

	August 2020 Year-to-Date		August 2019 Year-to-Date
Vacancy	8.5%	↑	6.3%
Availability	13.1%	↑	10.9%
Net Absorption (SF)	6,856,313	↑	4,880,024
Leasing Activity (SF)	15,554,073	↑	14,788,266
Deliveries (SF)	18,942,505	↑	10,471,312
Under Construction (SF)	16,585,045	↑	16,550,948
NNN Avg Asking Rent (PSF)	\$0.65	↑	\$0.61

Supply & Demand



Construction Activity



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