

HOUSTON INDUSTRIAL Monthly Market Snapshot

FEBRUARY 2021

Market Highlights

Vacancy increases to 9.2%. Overall vacancy in the Houston industrial market is at 9.2%, up from 6.0% in January 2020. The increase in vacancy is due in part to 1.4 million sq. ft. delivered vacant to the market so far in 2021. In addition, there is 10.6 million sq. ft. currently under construction, with 66% of that space available for lease. The vacancy rate for Class A properties is at 19.4%, up from Q4 2020 at 18.6%, although up more significantly from January 2020 at 15.8%. The Houston industrial market has recorded 2.0 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—compared to this time last year at 2.6 million sq. ft. 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.

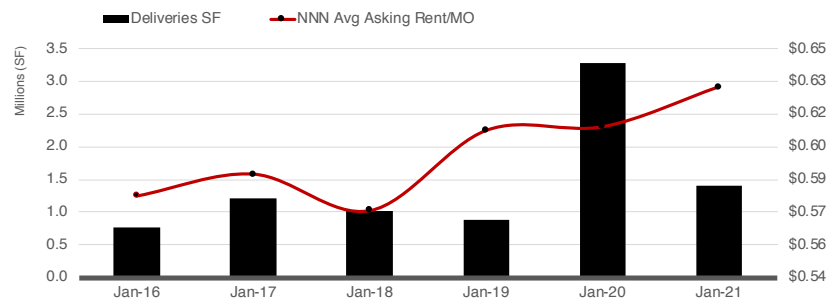
Amazon to add another distribution center. This time, it is the Galveston area that is getting a new Amazon fulfillment center. The ecommerce giant is planning to occupy a 180,000-sq.-ft. delivery station once it is built in La Marque, located about 15 miles northwest of Galveston, and 34 miles southeast of Houston, according to the Galveston Economic Development Partnership. That property brings Amazon’s expected total industrial footprint to about 6.2 million sq. ft. in 16 industrial properties in metro Houston, including Katy, Brookshire, Richmond, Missouri City and La Marque.

Port Houston thrived in 2020. Despite the challenges due to the pandemic, Port Houston handled 2.99 million twenty-foot equivalent container units (TEU) in 2020. This mark fell just short of the prior year’s record by 828 TEU. Public container terminals have taken off with a rapid start in 2021, as the first ship to use six cranes that represented the second-largest lift count (cranes moving containers from ships) on a vessel operation at Port Houston’s public facilities. This activity demonstrates the “pent-up demand” by carriers to bring larger vessels to the port.

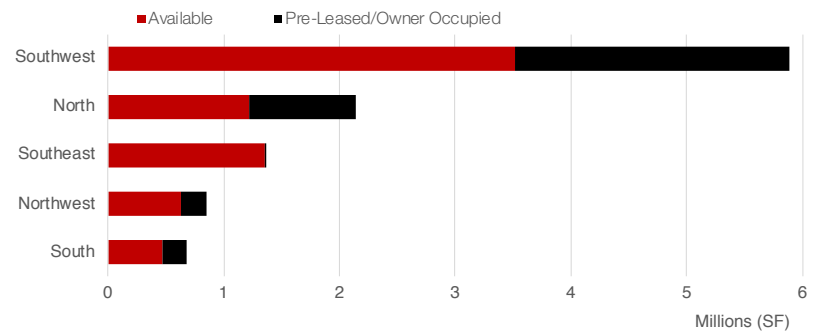
Market Activity

	January 2021		January 2020
Vacancy	9.2%	▲	6.0%
Availability	13.1%	▲	10.1%
Under Construction	10,553,179 SF	▼	15,062,814 SF
NNN Avg Asking Rent/MO	\$0.65 PSF	▲	\$0.61 PSF
Net Absorption YTD	(1,152,304) SF	▼	795,145 SF
Leasing Activity YTD	2,009,283 SF	▼	2,635,915 SF
Deliveries YTD	1,408,324 SF	▼	1,593,083 SF

Deliveries & Rent | January YOY



Under Construction



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