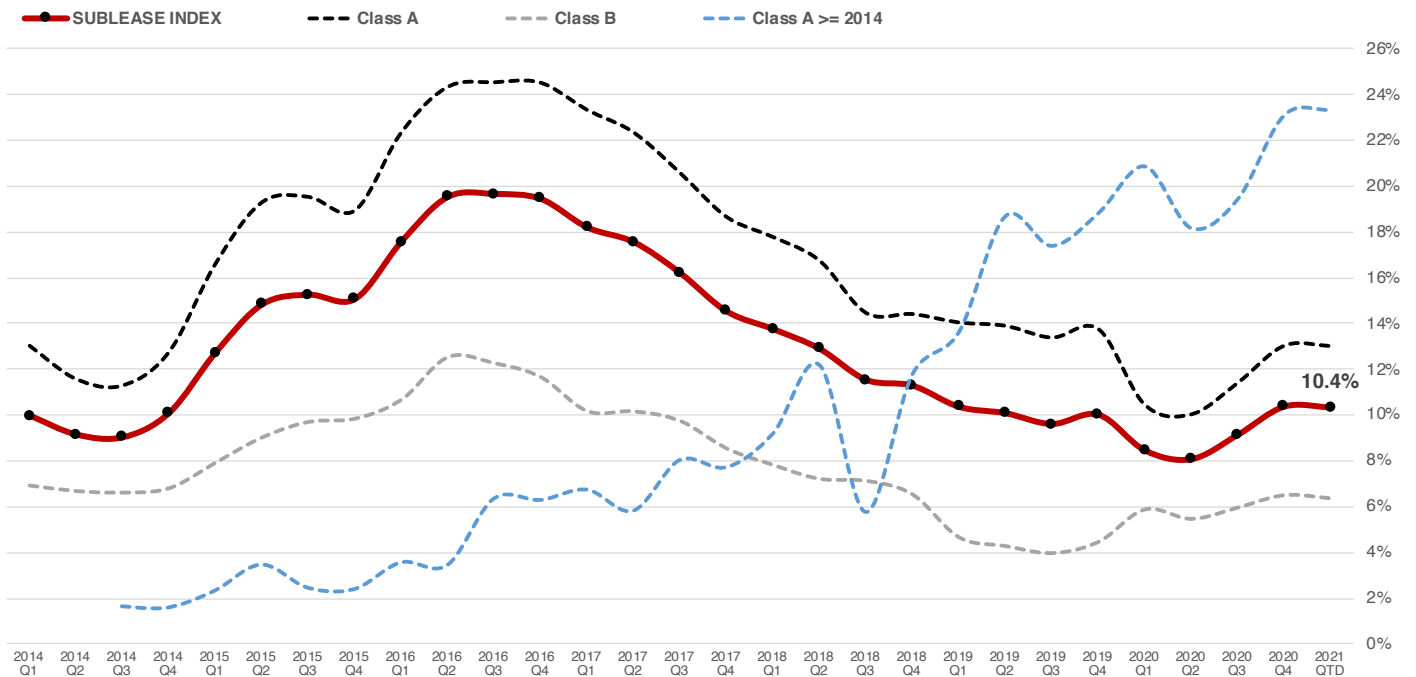


NAI Partners Sublease Index

FEBRUARY 2021

NAI Partners Sublease Index unchanged at 10.4%



Key Takeaways

The NAI Partners Sublease Index—measured by the amount of sublease space as a percentage of total available space—registered at 10.4% as of January 31, 2021, unchanged from Q4 2020. The Sublease Index was last at 10.4% as of Q1 2019. The range of the index in the last two years touched a low of 8.1% in Q2 2020. The peak was reached at 19.7% back in Q3 2016.

The total amount of all available space (all space available regardless of whether it is vacant) in the Houston Office market is 69.5 million sq. ft. Available Class A space represents 62% of that total (43.1 million sq. ft.), and Class B represents 35% (24.6 million sq. ft.).

New sublease space listed. Some of the most recent sublease space added to the market includes: Schlumberger’s 144,594 sq. ft. at 1200 Enclave Parkway in Enclave Business Park in the Energy Corridor; National Oilwell Varco’s 125,839 sq. ft. at 10353 Richmond Ave in Millennium Tower II in the Westchase submarket; and McDermott’s 97,364 sq. ft. at 915 N Eldridge Parkway

in Energy Center V in the Energy Corridor submarket. Houston’s office market saw sublease space decrease gradually during the first half of 2020, before rising in Q4 2020 to 7.1 million sq. ft., and a slight increase to 7.2 million sq. ft. at the end of January 2021.

Building Class	Q1 QTD Available Sublease (SF)	% Sublease Availability	% Change in Availability	
			Since Q4 2020	Since Q3 2014
Overall	7,202,090	10.4%	0.8%	85.0%
Class A	5,604,202	13.0%	1.6%	98.6%
Class B	1,570,319	6.4%	-1.9%	47.2%
Class A >= 2014	1,628,812	23.3%	1.8%	-

The last column “Since Q3 2014” shows percent change since the oil downturn began to manifest in the office market. Source: NAI Partners Research.