

# HOUSTON MEDICAL OFFICE Monthly Market Snapshot

FEBRUARY 2021

## Market Highlights

**Vacancy at 16.6%.** Overall vacancy for medical office space in the Houston market is at 16.6%, down 50 basis points from 17.1% this time last year. In addition, office medical space recorded 166,000 sq. ft. of leasing activity—which is comprised of both new leases and renewals—while net absorption (move-ins minus move-outs) is at negative 16,000 sq. ft. So far this year, developments under construction stand at 864,000 sq. ft. The average asking full-service rent is at \$25.86 per sq. ft., up \$0.82 from last year at this time, while Class A medical office space is averaging \$30.73 per sq. ft., down from the prior period at \$31.34 per sq. ft.

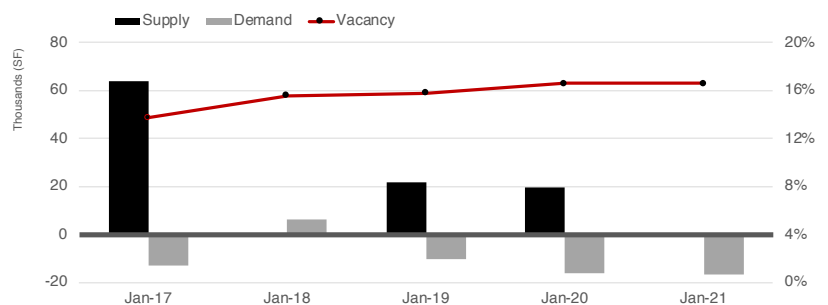
**53-acre life sciences project to break ground.** The Texas Medical Center is in position for another change as Hines and 2M Real Estate Interests prepare to break ground on the first phase of Levit Green, a 53-acre mixed-use district. Construction is expected to start in Q2 2021 on the five-story, 270,000-sq.-ft. advanced laboratory and life sciences, the first building on this project.

**Texas A&M University System completes renovations.** The first phase of its proposed mixed-use campus in the Texas Medical Center, and its public-private partner is advancing on office and residential additions to the proposed \$550 million campus. The university system finished work renovating an 18-story building housing the system's new medical engineering program as students began moving into the tower for the spring semester. The \$145 million makeover project transformed a former bank building at 1020 Holcombe Blvd. into an academic campus. The tower anchors a proposed 5-acre mixed-use project called Innovation Plaza, which was first announced in Q1 2020.

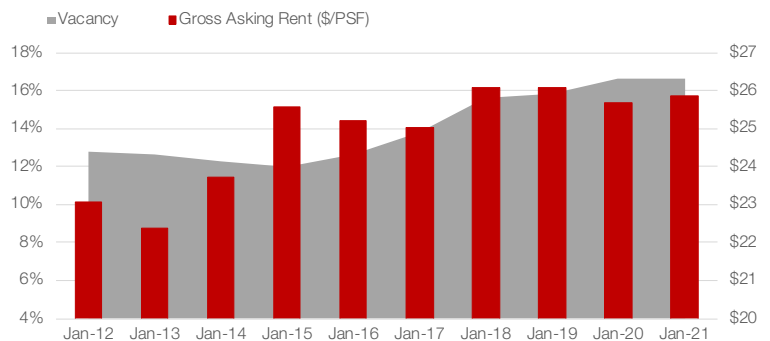
## Market Activity

	January 2021		January 2020
Vacancy	16.6%	↓	17.1%
Availability	20.9%	↑	18.9%
Under Construction	863,780 SF	↑	299,753 SF
Gross Avg Asking Rent	\$25.86 PSF	↑	\$25.04 PSF
Net Absorption YTD	-16,314 SF	↓	108,558 SF
Leasing Activity YTD	165,668 SF	↑	123,213 SF
Deliveries YTD	0 SF	—	0 SF

## Supply & Demand | January YOY



## Vacancy & Rent | January YOY



**Leta Wauson**

Director of Research

leta.wauson@naipartners.com

tel 713 275 9618

**NAI**partners  
HOUSTON | AUSTIN | SAN ANTONIO

www.naipartners.com