

HOUSTON MEDICAL OFFICE MONTHLY MARKET SNAPSHOT

Vacancy beginning to tighten in Houston Medical Office market

March 2021

MARKET HIGHLIGHTS

VACANCY AT 16.8%

Overall vacancy for medical office space in the Houston market is at 16.8%, down 20 basis points from 17.0% this time last year. In addition, office medical space recorded 264,000 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 65,000 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 3.4% from last year at this time, while Class A medical office space is averaging \$31.12 per sq. ft., down from the prior period at \$31.34 per sq. ft.

ION SMART AND RESILIENT CITIES ACCELERATOR

The third cohort of The Ion Smart and Resilient Cities Accelerator will kick off the beginning of April. Launched in September 2019, the Smart and Resilient Cities Accelerator implements technology into existing civic infrastructure. They will start programming for five selected startups tackling sustainability solutions, ranging from a compost selection service to a smart meter provider to waste emissions and a pollutants-reduction lab.

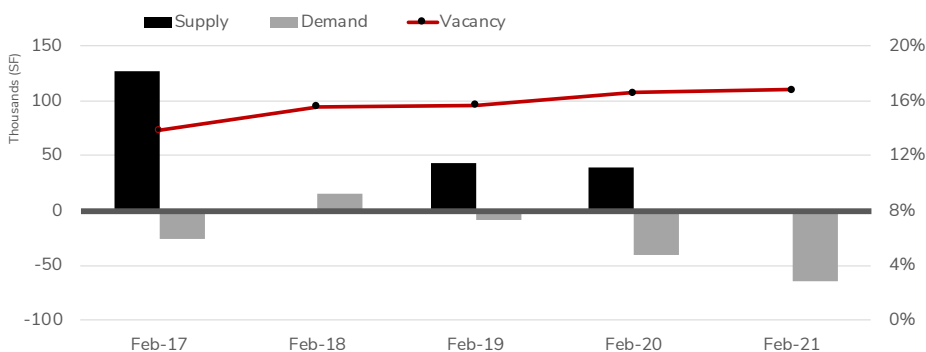
LEASING ACTIVITY

Recent lease transactions include 35,170 sq. ft. taken in Bissonnet Medical Plaza at 4460 Bissonnet St. in Bellaire; a deal was inked for 20,169 sq. ft. at 7501 Fannin St. in the Texas Medical Center; and a 14,126 sq. ft. deal was signed in River Oaks Medical Center at 4120 Southwest Freeway in Greenway Plaza. In addition, U.S. Dermatology Partners, which has 94 locations across eight states, including Texas, will be opening a new location at 5420 W. Loop S. in Bellaire in April.

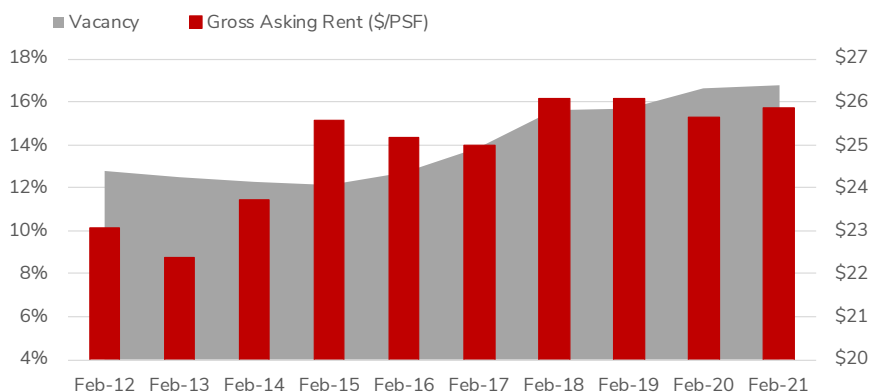
MARKET ACTIVITY

	FEBRUARY 2021		FEBRUARY 2020
Vacancy	16.8%	↓	17.0%
Availability	21.1%	↑	18.5%
Under Construction SF	863,780	↑	250,966
Gross Average Asking Rent	\$25.86	↑	\$25.02
Net Absorption SF YTD	-65,278	↓	156,732
Leasing Activity SF YTD	264,229	↑	230,461
Deliveries SF YTD	0	↓	65,000

SUPPLY & DEMAND | FEBRUARY - YEAR OVER YEAR



VACANCY & RENT | FEBRUARY - YEAR OVER YEAR



LETA WAUSON

DIRECTOR OF RESEARCH

leta.wauson@naipartners.com

tel 713 275 9618

NAIpartners
BROKERAGE SERVICES
www.naipartners.com