

HOUSTON MEDICAL OFFICE MONTHLY MARKET SNAPSHOT

Developers progressing with several medical office projects

APRIL 2021

MARKET HIGHLIGHTS

VACANCY AT 16.7%

Overall vacancy for medical office space in the Houston market is at 16.7%, up slightly from 16.6% this time last year. In addition, office medical space recorded 359,000 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 29,000 sq. ft. So far this year, developments under construction stand at 864,000 sq. ft. The average asking full-service rent is at \$25.77 per sq. ft., up 0.4% 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.

HOUSTON METHODIST LISTS LARGE SUBLEASE SPACE

Houston Methodist has put a significant block of office space in the Houston area on the sublease market after deciding to allow many employees to work remotely. The hospital system is listing 100,812 sq. ft. of office space in Bellaire on the sublease market. The space at 4800 Fournance Place had been planned for the information technology department of Houston Methodist until the pandemic hit and workers never moved in.

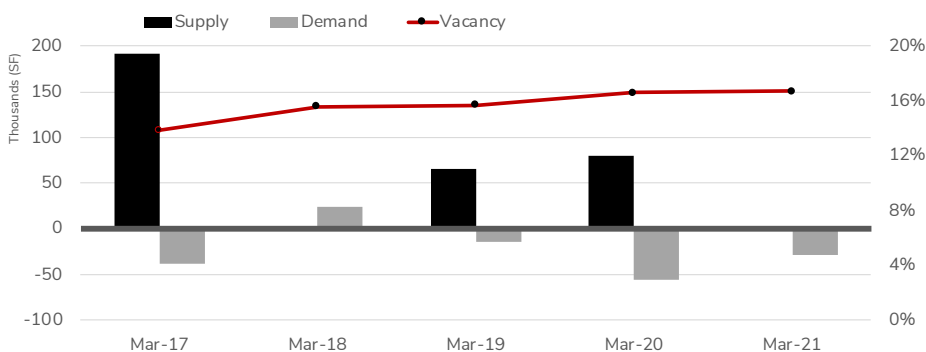
TOWER CONSTRUCTION AHEAD OF SCHEDULE

The 364,000-sq.-ft. tower called Museo is located at 5115 Fannin St. and represents the first phase of a mixed-use project Testa Rossa Properties is developing with Dr. Mike Mann, founder of Houston's Mann Eye Institute. Mann Eye Institute plans to occupy 37,162 sq. ft. on the 10th floor and 10,402 sq. ft. on the ninth floor, and Laparoscopic Consultants signed a lease for 10,256 sq. ft. The tower is expected to be complete this fall, which is several months ahead of schedule.

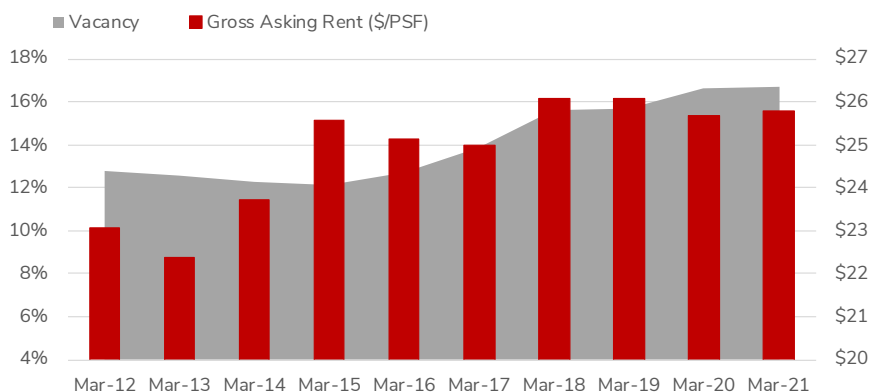
MARKET ACTIVITY

	MARCH 2021		MARCH 2020
Vacancy	16.7%	▲	16.6%
Availability	21.0%	▲	19.1%
Under Construction SF	863,780	▲	415,824
Gross Average Asking Rent	\$25.77	▲	\$25.67
Net Absorption SF YTD	-29,374	▲	-55,897
Leasing Activity SF YTD	358,948	▼	485,664
Deliveries SF YTD	0	▼	80,446

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