

HOUSTON RETAIL MONTHLY MARKET SNAPSHOT

Houston Retail occupancy rate at 93.6%

March 2021

MARKET HIGHLIGHTS

OCCUPANCY RATE AT 93.6%

Occupancy in the Houston retail market is at 93.6%, down 60 basis points from this time last year. The second quarter of 2020 marked the first time Houston retail occupancy registered below 94.0% since 2014. The net amount of square feet absorbed (move-ins minus move-outs) is negative thus far in 2021—down significantly year-over-year from positive 682,000 sq. ft. The occupancy rate of the 43 buildings totaling 590,000 sq. ft. delivered to the market so far in 2021 stands at 55.7%. Of the 107 properties comprising 2.3 million sq. ft. under construction, the availability rate stands at 35.6%. Year-to-date through February, the Houston retail market has recorded 1.2 million sq. ft. of leasing activity—which is comprised of both new leases and renewals—down about 10% from one year ago.

RETAIL RUNDOWN

Recent lease transactions include Barnes & Noble renewing 26,418 sq. ft. in Vanderbilt Square on W. Holcombe Blvd.; Burkes Outlet inking a deal for 22,500 sq. ft. in Angleton in the Far South submarket; and a 15,000 sq. ft. transaction by Aaron's in Jones Plaza in the Fairfield submarket. After almost two years that Houston-based Charming Charlie filed for Chapter 11 bankruptcy for the second time, the fashion retailer is reopening more brick-and-mortar stores. The Houston-area stores will be at First Colony Mall in Sugar Land and Willowbrook Mall in Houston.

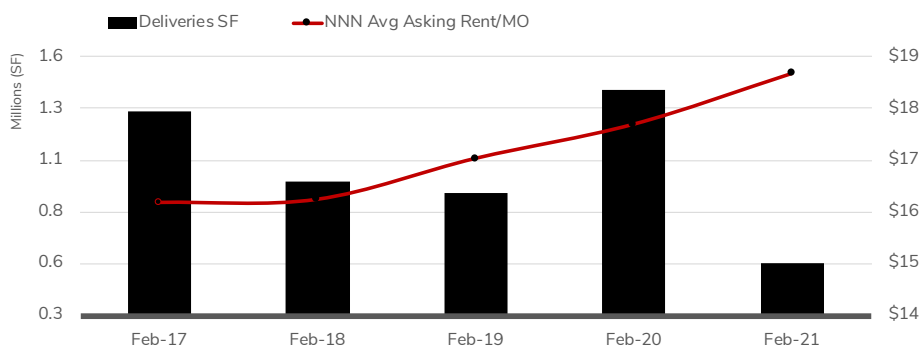
RETAIL AND ROOFTOPS

The troublesome winter storm did little to slow the local real estate market in Houston. According to the Houston Association of Realtors, 6,049 single-family homes sold in February compared to 5,979 a year earlier, a 1.2% increase. Sales of all property types totaled 7,464 – up 1.9% from February 2020. Total dollar volume for the month rose 17.3% to \$2.4 billion. Heading into spring, more listings are needed in the marketplace or there will be a possibility of having a very limited inventory for consumers wanting to purchase a home now, especially with the chance of rising mortgage interest rates.

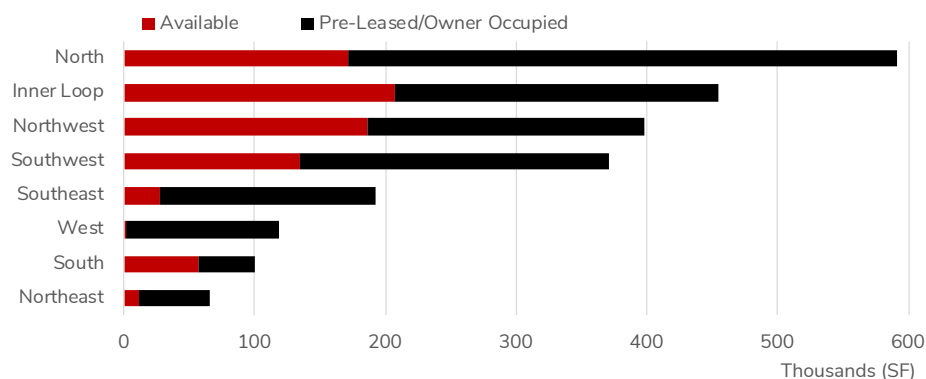
MARKET ACTIVITY

	FEBRUARY 2021	FEBRUARY 2020
Occupancy Rate	93.6% ↓	94.2%
Under Construction SF	2,308,847 ↓	3,058,920
NNN Avg Asking Rent	\$18.68 ↑	\$17.94
Net Absorption SF YTD	-59,132 ↓	681,654
Leasing Activity SF YTD	1,161,450 ↓	1,300,808
Deliveries SF YTD	552,233 ↓	981,774

DELIVERIES & RENT | FEBRUARY - YEAR OVER YEAR



CONSTRUCTION ACTIVITY | FEBRUARY 2021



LETA WAUSON

DIRECTOR OF RESEARCH
leta.wauson@naipartners.com
tel 713 275 9618

NAIpartners
BROKERAGE SERVICES
www.naipartners.com