

HOUSTON OFFICE MONTHLY MARKET SNAPSHOT

Houston Office vacancy up again, though data show continued economic recovery

JUNE 2021

MARKET HIGHLIGHTS

RISE IN VACANCY TO 24.7%

Year-over-year, as of May 2021, overall vacancy in the Houston office market is at 24.7% and availability is at 29.4%, both up from this time last year. Year-to-date, the Houston office market has recorded 4.5 million 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 2.7 million sq. ft. There have been three projects delivered so far in 2021 totaling 153,400 sq. ft., and 19 developments under construction at 4.2 million sq. ft. The Houston average asking full-service rent is at \$29.18 per sq. ft., down slightly from this time last year.

SIGNIFICANT LEASE TRANSACTIONS IN 2021

Linde Engineering has leased 120,454 sq. ft. in Sierra Pines II at 1575 Sawdust Road in The Woodlands. The company will occupy the second and third floors in the six-story, Class A office building. Also, Buckeye Partners has signed a 66,064-sq. ft. lease at 4200 Westheimer Road in the Galleria/West Loop submarket. With this transaction, the 205,629-sq. ft. building is now 61% leased.

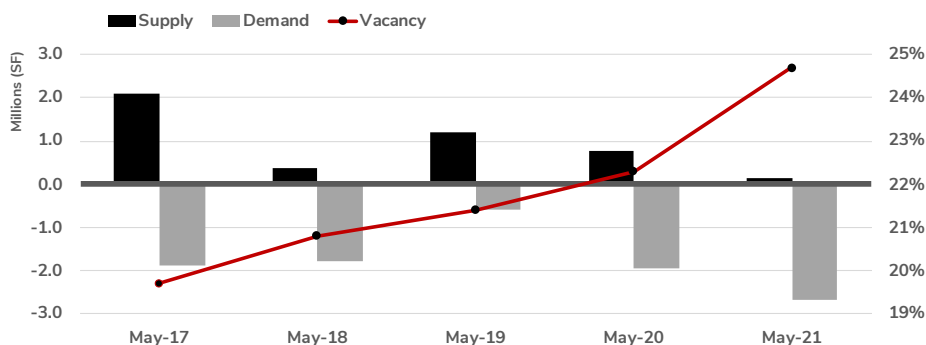
HOUSTON ECONOMIC INDICATORS

The Federal Reserve Bank of Dallas reported that Houston metropolitan area payrolls continued to increase in April to 3,012,000—94.5% of February 2020 levels—after shifting up in March when the state removed most pandemic restrictions on businesses, and the economy bounced back from Winter Storm Uri. The rest of Texas has continued to outpace the U.S. overall in employment since summer 2020, with payrolls rising to 96.8% of February 2020 levels by April.

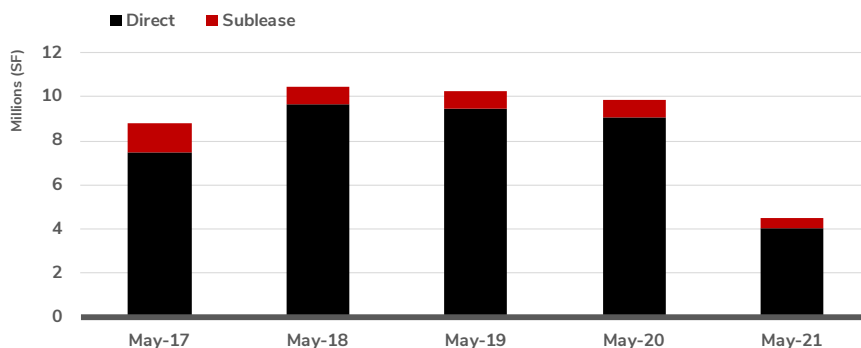
MARKET ACTIVITY

	MAY 2021		MAY 2020
Vacancy	24.7%	▲	22.3%
Availability	29.4%	▲	26.2%
Under Construction SF	4,243,889	▼	4,361,336
Gross Average Asking Rent	\$29.18	▼	\$29.36
Net Absorption SF YTD	(2,676,405)	▼	(1,942,043)
Leasing Activity SF YTD	4,469,576	▼	9,857,136
Deliveries SF YTD	153,400	▼	783,538

SUPPLY & DEMAND | MAY - YEAR OVER YEAR



LEASING ACTIVITY | MAY - YEAR OVER YEAR



LETA WAUSON

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

NAIpartners
BROKERAGE SERVICES
www.naipartners.com