

# HOUSTON MEDICAL OFFICE MONTHLY MARKET SNAPSHOT

Vacancy for medical office space in Houston at 17.6%

## June 2021

### MARKET HIGHLIGHTS

#### VACANCY AT 17.6%

Overall vacancy for medical office space in the Houston market is at 17.6%, up 70 basis points from 16.9% this time last year. In addition, office medical space recorded 377,000 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 252,000 sq. ft. So far this year, developments under construction stand at 925,000 sq. ft. The average asking full-service rent is at \$26.34 per sq. ft., up 2.0% from last year at this time, while Class A medical office space is averaging \$32.52 per sq. ft., up from the prior period at \$31.21 per sq. ft.

#### MEMORIAL HERMANN EXPANSION IN THE WOODLANDS

Memorial Hermann has topped out a nine-story medical tower in The Woodlands area in a major expansion for the healthcare system to adapt to Montgomery County's growing population. At the time construction started, the \$250 million project was the biggest institutional construction project to start work that month in the nation, according to the construction analytics firm Dodge Data & Analytics. The project is expected to be ready for patients as a Level II trauma center by Q2 2022.

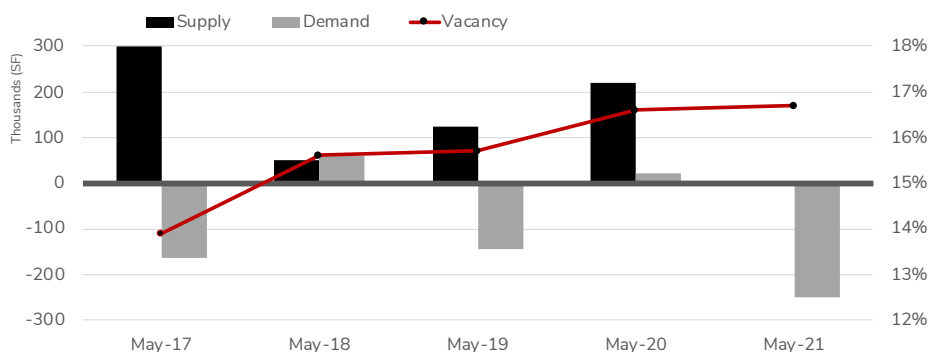
#### THE MEDICAL CENTER OF TOMBALL

Ground has broken on the first phase of the medical office plaza in Tomball off of Highway 249 at 155 School St. Phase I of the project is a three-story, 64,395-sq.-ft. medical office building that was 97% preleased prior to breaking ground. Medical buildings have been one of the high points of Houston's office market, which has otherwise been troubled by high vacancy rates. Last month, construction crews topped out on the 10-story, 364,000-sq.-ft. Museo Medical Office Building at 1515 Fannin St. in Houston's Museum District.

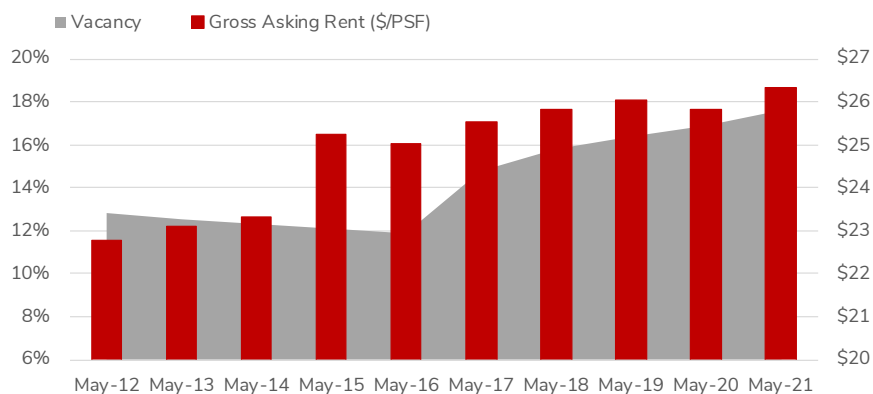
### MARKET ACTIVITY

	MAY 2021		MAY 2020
Vacancy	17.6%	▲	16.9%
Availability	21.1%	▲	19.0%
Under Construction SF	928,175	▲	552,542
Gross Average Asking Rent	\$26.34	▲	\$25.83
Net Absorption SF YTD	-251,932	▼	21,166
Leasing Activity SF YTD	377,177	▼	633,028
Deliveries SF YTD	0	▼	220,909

### SUPPLY & DEMAND | MAY - YEAR OVER YEAR



### VACANCY & RENT | MAY - YEAR OVER YEAR



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