

# HOUSTON INDUSTRIAL MONTHLY MARKET SNAPSHOT | NOVEMBER 2021

Blisteringly hot Houston Industrial market continues to shatter absorption and leasing records

## MARKET HIGHLIGHTS

### DEMAND OUTPACES SUPPLY

Demand for industrial space (22.7 million sq. ft.) outpaced supply (15.8 million sq. ft.) through October of 2021 in the Houston metro. This is the first time since 2017 that the amount of net absorption was greater than the amount of square feet delivered from January through October. With nearly 16 million sq. ft. delivered since the beginning of the year, over 20 million sq. ft. under construction, and another 24 million sq. ft. planned through 2022, the demand for industrial real estate may continue to outpace supply. According to commercial real estate association NAIOP's most recent Industrial Space Demand Forecast, the nationwide push toward industrial development is likely to continue through 2022—including Houston.

### NET ABSORPTION AT AN ALL-TIME HIGH

Overall industrial net absorption has hit a record level, increasing to 22.7 million sq. ft. so far this year—the highest level of demand ever recorded during January through October. In addition, the vacancy rate is at 7.3%, dropping 120 basis points year-over-year.

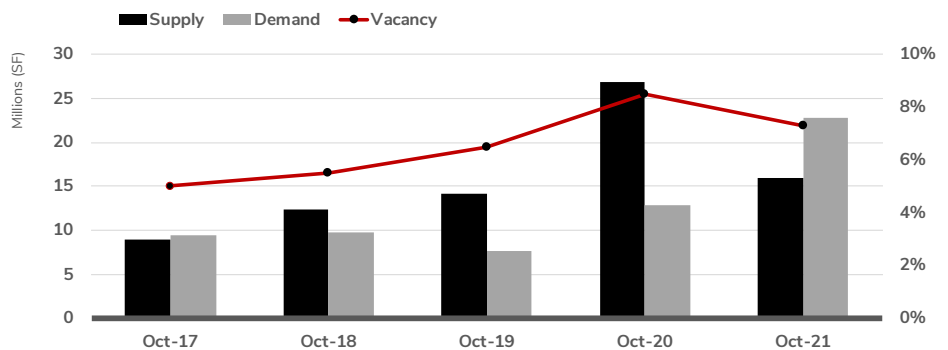
### LEASING ALSO AT AN ALL-TIME RECORD

The volume of signed lease transactions year-to-date through October also set an all-time record, with 39 million sq. ft. of activity—up from the prior period at 26 million sq. ft. Houston industrial leasing volume was up more than 50% January through October of 2021 compared with the same period last year. In total, 60 new building lease transactions of 100,000 sq. ft. or greater were signed over the ten-month period. The largest leases in 2021 include: Ferguson for 750,775 sq. ft. at the Empire West Business Park in June; Living Spaces Furniture Co. for 685,400 sq. ft. at the Air 59 Logistics Center in Humble in June; and WebstaurantStore for 643,940 sq. ft. at 4725 E. Grand Parkway S. in Baytown in May—a transaction arranged by NAI Partners.

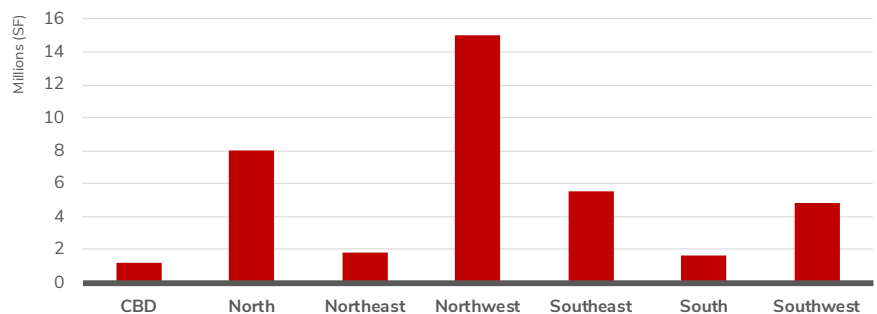
## MARKET ACTIVITY

	OCTOBER 2021	vs	OCTOBER 2020
Vacancy	7.3%	↓	8.5%
Availability	10.8%	↓	12.4%
Under Construction SF	20,128,274	↑	15,634,002
NNN Avg Asking Rent/MO	\$0.64	↑	\$0.63
Net Absorption SF YTD	22,719,204	↑	12,859,454
Leasing Activity SF YTD	38,897,854	↑	25,638,982
Deliveries SF YTD	15,849,084	↓	26,851,276

## SUPPLY & DEMAND | OCTOBER - YEAR OVER YEAR



## LEASING ACTIVITY | OCTOBER 2021 - YEAR-TO-DATE



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