

# HOUSTON INDUSTRIAL MONTHLY MARKET SNAPSHOT | SEPTEMBER 2021

Houston Industrial market records all-time high volume of lease transactions through first eight months of year

## MARKET HIGHLIGHTS

### SUPPLY

Demand for industrial space (11.3 million sq. ft.) outpaced supply (8.9 million sq. ft.) during the first eight months of 2021 in the Houston metro. This is the first time since 2014 that the amount of net absorption was greater than the amount of square feet delivered from January through August. With nearly 9 million sq. ft. delivered since the beginning of the year, 19 million sq. ft. under construction, and another 28 million sq. ft. planned through 2022, according to CoStar, 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 for the rest of the year and through 2022—including Houston.

### DEMAND

Overall industrial net absorption has remained strong, increasing to 11.3 million sq. ft. so far this year—the highest level of demand during the first eight months of a year since 2005 recorded 13 million sq. ft. In addition, the vacancy rate is at 8.1%, dropping 30 basis points year-over-year.

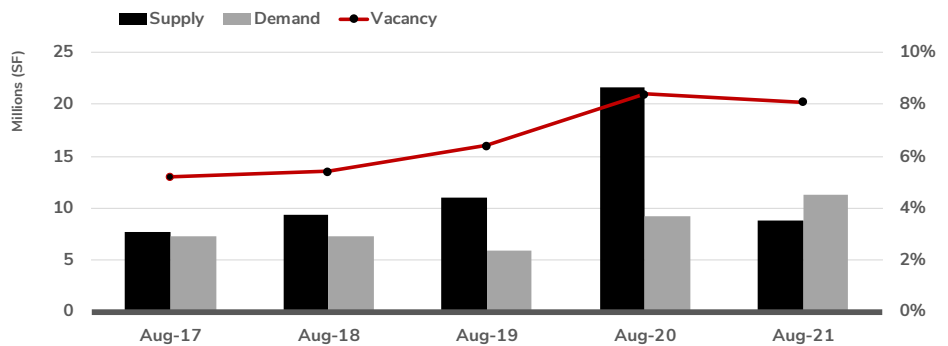
### LEASING

The volume of signed lease transactions year-to-date through August was another all-time record at 29.8 million sq. ft.—up from the prior period at 19.9 million sq. ft. Houston industrial leasing volume was up more than 50% through the first eight months of 2021 compared with the same period last year. In total, 54 new building lease transactions of more than 100,000 sq. ft. were executed over the eight-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 685,000 sq. ft. at the Air 59 Logistics Center in Humble in June; and WebstaurantStore for 645,000 sq. ft. at 4725 E. Grand Parkway S. in Baytown in May—a transaction arranged by NAI Partners.

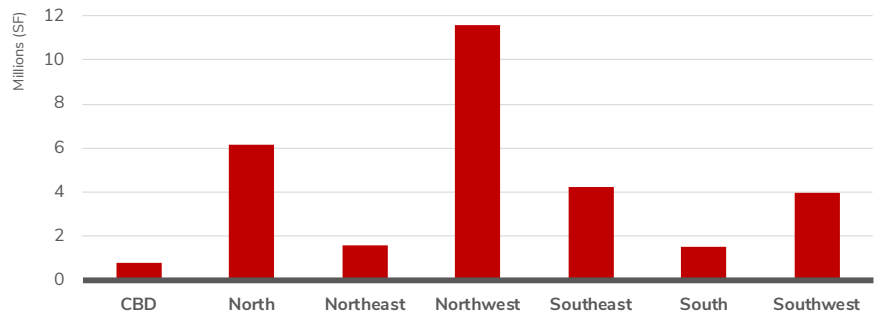
## MARKET ACTIVITY

	AUGUST 2021	vs	AUGUST 2020
Vacancy	8.1%	↓	8.4%
Availability	11.1%	↓	12.1%
Under Construction SF	18,711,818	↑	17,274,771
NNN Avg Asking Rent/MO	\$0.64	■	\$0.64
Net Absorption SF YTD	11,284,671	↑	9,244,926
Leasing Activity SF YTD	29,751,006	↑	19,937,661
Deliveries SF YTD	8,853,461	↓	21,607,871

## SUPPLY & DEMAND | AUGUST - YEAR OVER YEAR



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



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