

# HOUSTON INDUSTRIAL MONTHLY MARKET SNAPSHOT | MARCH 2022

February 2022 marks the highest leasing activity and net absorption on record for January and February.

## MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST TWO MONTHS OF THE YEAR—FEBRUARY 2022 COMPARED TO FEBRUARY 2021.

### VACANCY RATE AT 6.7%

Two months into 2022, overall vacancy in the Houston industrial market has tightened to 6.7%, plummeting 210 basis points from 8.8% this time last year. Availability is at 9.9%, down 200 basis points from 11.9% in February 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The Houston industrial market has recorded 7.5 million sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at 3.3 million sq. ft., up 340% year-over-year from the slower 751,000-sq.-ft. start in 2021. February 2022 marks the highest amount of leasing activity and net absorption in the months of January and February on record. The Houston metro NNN average asking monthly rent is at \$0.66 per sq. ft., up from \$0.62 this time last year, a 6.5% increase.

### RECORD-BREAKING LEASING ACTIVITY IN FIRST TWO MONTHS OF 2022

Notable transactions that contributed to the above-average activity in January and February include; Macy's 736,000 sq. ft. deal to relocate from its East End distribution center to the under-construction Interchange 249 Business Park in Tomball; NFI's signed lease for 341,000 sq. ft. in Cedar Port Phase III Business Park in Baytown; an inked deal for 277,000 sq. ft. at the Cedar Port Freezer property under construction in Baytown; and 266,000 sq. ft. leased at Airtex Business Center in the North Hardy Toll Road submarket.

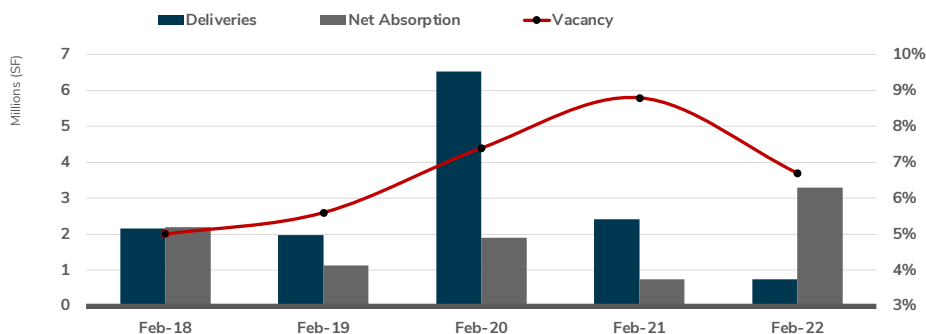
### PORT HOUSTON RINGS IN 2022 WITH MASSIVE GROWTH

Port Houston maintained momentum during the first month of 2022, following its busiest year in history for containers. Records show container volume in January totaled 323,427 twenty-foot equivalent units which is 27% more than the same month in 2021. This is the most significant January ever for Port Houston containers.

## MARKET ACTIVITY

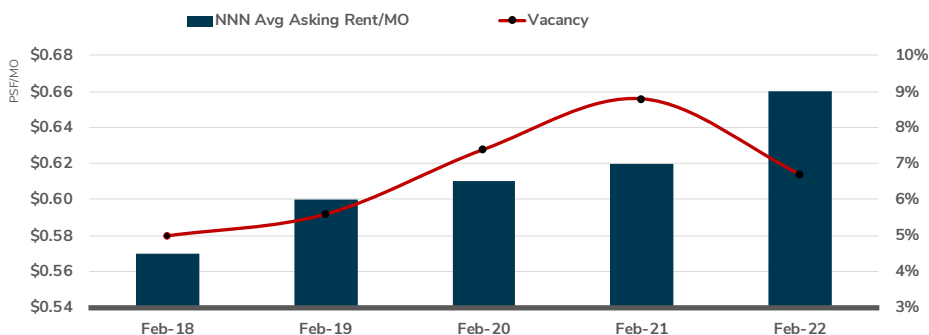
	FEBRUARY 2022	vs	FEBRUARY 2021
Vacancy	6.7%	↓	8.8%
Availability	9.9%	↓	11.9%
Under Construction SF	21,526,616	↑	20,688,723
NNN Avg Asking Rent/MO	\$0.66	↑	\$0.62
Net Absorption SF YTD	3,297,760	↑	750,589
Leasing Activity SF YTD	7,532,731	↑	6,984,056
Deliveries SF YTD	737,153	↓	2,418,080

## SUPPLY & DEMAND | FEBRUARY - YEAR OVER YEAR



Source: CoStar, NAI Partners Research

## RENT & VACANCY | FEBRUARY - YEAR OVER YEAR



Source: CoStar, NAI Partners Research

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