

HOUSTON INDUSTRIAL | NW/HWY 290-SH 249 AREA

Submarket Spotlight

Vacancy rate has tightened by over 20% in past 12 months

Q4 2021

SUBMARKET HIGHLIGHTS

ROBUST INDUSTRIAL MARKET IN NORTHWEST HOUSTON

The NW/Highway 290-SH 249 sub-market encompasses a 5-mile radius of the immediate area containing 91 million sq. ft. of industrial/flex inventory. Of the 191 million sq. ft. of industrial and flex buildings in the entire Northwest Houston submarket, the largest concentration is in the Highway 290-SH 249 area, representing almost 50% of the total stock. The NW/Highway 290-SH 249 submarket has posted positive net absorption for the past three consecutive quarters, and vacancies have continued to tighten since the start of the COVID-19 pandemic in early 2020.

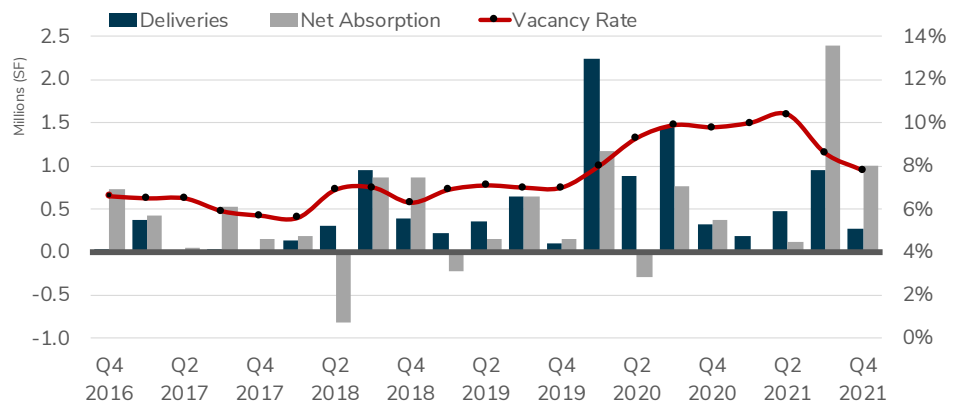
STRONG LOGISTICAL LOCATION

The NW/Highway 290-SH 249 sub-market has experienced an inventory expansion since the oil downturn in 2014, adding 251 industrial properties totaling an additional 17 million sq. ft., representing 23% growth. Development is still increasing, with 2.1 million sq. ft. underway. 12% of the total amount (16.9 million sq. ft.) of industrial construction is in the Houston metro. The largest industrial occupiers in the submarket include Dril-Quip (1.3 million sq. ft.); Home Depot-Distribution (771,000 sq. ft.); and Home Depot-Warehouse (658,000 sq. ft.). The largest recent completions include Home Depot's Warehouse, 658,000 sq. ft. in the NW/Highway 290-SH 249 area, and Amazon's 141,000-sq.-ft. distribution center in Republic Business Center at 11311 N. Gessner Road.

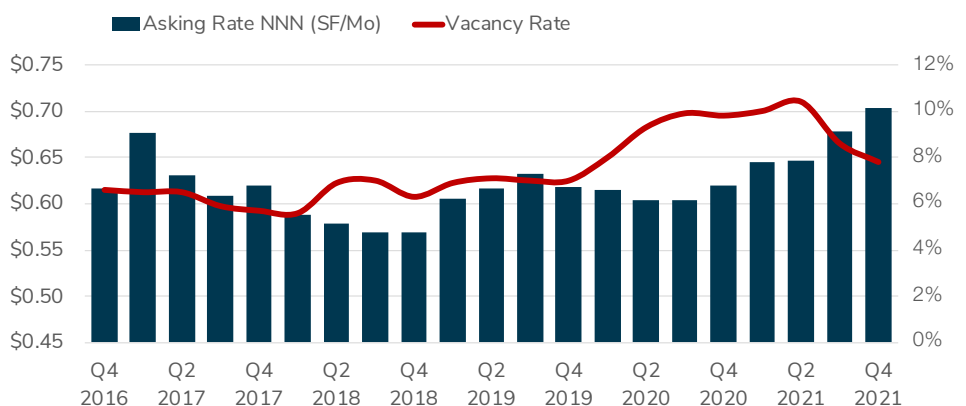
MARKET INDICATORS

	Current Q4 2021	Prior Quarter Q3 2021		Year Ago Q4 2020	
Vacancy (%)	7.8	8.6	↓	9.8	↓
Availability (%)	10.4	11.2	↓	13.6	↓
Net Absorption (SF)	993,920	2,388,606	↓	378,735	↑
Leasing Activity (SF)	1,416,909	2,260,494	↓	1,703,233	↓
Construction (SF)	2,066,661	2,138,657	↓	453,530	↑
Avg Asking Rent (Gross)	\$0.70	\$0.68	↑	\$0.62	↑
Inventory (SF)	90,788,877	90,519,051	↑	88,908,790	↑

SUPPLY & DEMAND



ASKING RATE & VACANCY



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