



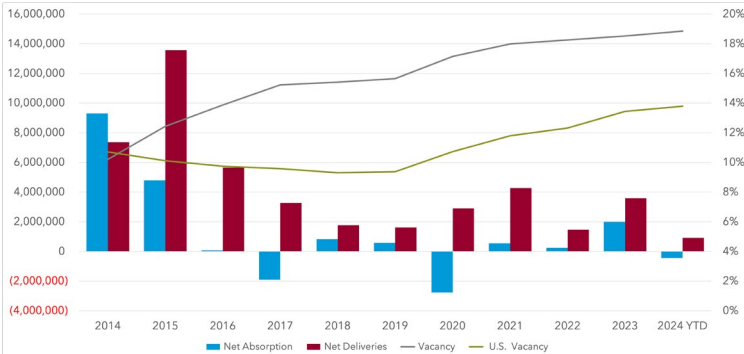
OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal*

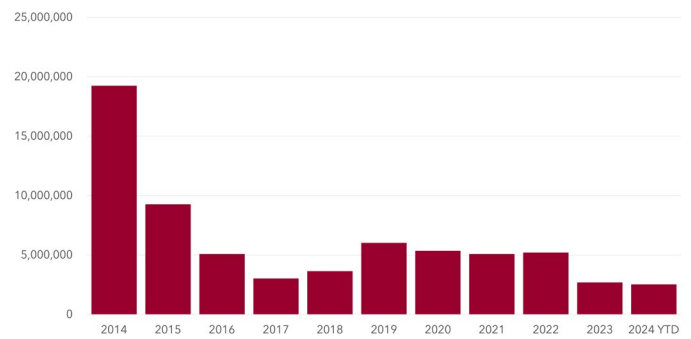
Houston's labor market growth remains strong and broad throughout Q2 2024. Analysis reveals the energy sector sustained a reduction of jobs year-over-year while mining related services registered growth. Exports of energy goods through the Port of Houston ticked down in March 2024. Office demand persisted, reflected by a tightening in new construction activity. Notably, only one Class A building encompassing 308,000 square feet located in the Katy Freeway West submarket, preleased at 68%, went under construction. The overall vacancy rate rose by 33 basis points from the previous quarter, reaching 18.85%. Projections for 2024 suggest subdued growth, with investment sales likely to remain low due to inflation and the elevated cost of debt.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ Qtrly Net Absorption SF	467,198	651,325	1,995,093	27,614	355,602
◀ ▶ Vacancy Rate	18.9%	18.9%	18.5%	18.6%	18.4%
▲ Avg NNN Asking Rate PSF	\$29.61	\$29.52	\$29.42	\$29.33	\$29.24
▲ SF Under Construction	2,524,924	2,079,634	2,701,152	4,305,327	4,005,392
▲ Inventory SF	358,210,448	358,012,062	357,293,555	356,064,347	355,596,216

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
712 Main Street Houston, TX	794,186 SF	Undisclosed	The Wideman Company Midway	Class B
9700-9702 Bissonnet Street Houston, TX	545,580 SF	Undisclosed	Shahis Hashmi Omninet Capital	Class B
575 N. Dairy Ashford Road Houston, TX	306,721 SF	\$47,000,000 \$153.00 PSF	Goddard Investment Group American Realty Advisors	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4 Waterway Avenue Woodlands, TX	168,805 SF	Howard Hughes	Ovinitiv	Exploration & Production
8101 W. Sam Houston Parkway S Houston, TX	136,800 SF	GWL Realty Advisors	Blue Cross Blue Shield	Insurance
915 N. Eldridge Parkway Houston, TX	99,501 SF	Oak Street Real Estate Capital	OneSubsea	Underwater Technology

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