



Office Market Report

Houston - TX USA

PREPARED BY



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Broker/Owner



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

2M

12 Mo Net Absorption in SF

779K

Vacancy Rate

19.7%

Market Asking Rent Growth

0.8%

Of the 10 largest U.S. office markets by inventory, Houston is one of three markets posting positive annual absorption, alongside New York City and Dallas. Over the past 12 months, the market recorded 780,000 SF of net absorption, a sharp contrast from the annualized average of -360,000 SF over the past five years.

But like broader national trends, Houston's office market remains highly fragmented. Strong demand from new buildings is capturing most of the market's leasing activity and positive absorption, while buildings built prior to 1990—which account for 60% of Houston's office inventory—continue to lose occupancy.

By location, demand is strongest in the suburbs. Submarkets like The Woodlands, north, and Katy Freeway West and Katy Freeway East, which are a short commute to many of Houston's fast-growing western neighborhoods, are leading the region's absorption, while tenants in the CBD are vacating more space than they lease.

With the exception of best-in-class premier buildings in highly sought-after locations, overall rent growth is expected to stagnate between 1% and 2% through the next several quarters, and tenant leverage remains substantial. Generous TI packages, more so than ramping up free rent, are prevalent in most negotiations, though they have remained relatively unchanged from

two years ago.

A lack of new supply provides the biggest potential tailwind for Houston's office forecast. Roughly 80% of the 2.5 million SF underway is pre-leased. Most of it is build-to-suit space or medical office in fast-growing suburbs, particularly north and west of Houston city. Groundbreakings remain negligible, and a lack of premium, first-generation availability will continue.

The market's vacancy rate of 19.7%, though almost 400 basis points above the 2019 tally, has remained largely unchanged over the past 18 months and expected to continue so.

The risks to the outlook are balanced. More major employers have increased attendance requirements over the past year, suggesting that many occupiers are likely to hold onto current space, with some even expanding. Conversely, like national trends, payrolls in traditional office-using jobs based in the professional and business services and financial activities employment sectors have slowed over the past two years, partly as a market correction following a period of rapid growth, and are now flat. Bond yields remain high, and while the economic environment appears more stable than a few months ago, concerns of a recession persist, which could keep hiring and occupancy decisions on hold.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	145,915,712	24.6%	\$36.08	26.3%	275,678	49,117	1,658,467
3 Star	163,729,171	18.4%	\$24.79	18.1%	(101,997)	165,550	830,205
1 & 2 Star	47,771,834	8.9%	\$23.60	9.9%	(68,328)	0	37,750
Market	357,416,717	19.7%	\$29.26	20.4%	105,353	214,667	2,526,422

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.1% (YOY)	13.7%	19.2%	19.9%	2025 Q1	8.5%	1999 Q1
Net Absorption SF	779K	2,399,105	2,093,488	10,521,453	2014 Q2	(3,728,071)	2017 Q3
Deliveries SF	2M	4,887,434	2,691,671	13,888,495	2015 Q2	1,108,794	2010 Q4
Market Asking Rent Growth	0.8%	1.7%	2.6%	14.8%	2008 Q1	-6.1%	2009 Q4
Sales Volume	\$577M	\$1.7B	N/A	\$5B	2013 Q3	\$258M	2009 Q4

Leasing activity in Houston's office market is slowing as larger firms have been increasingly reluctant to commit to larger, long-term leases due to macroeconomic uncertainty. Excluding renewals, office tenants signed for 7.4 million SF through the first six months of 2025, the lowest first half in three years. The new number of leases fell to a five-year low, as did new commitments of at least 100,000 SF.

Only one new lease of this size was signed, Westlake Corporation's 126,000-SF lease in March in Galleria/Uptown. Leasing brokers note that momentum among the largest occupiers has also stalled due to a lack of available first-generation space.

Geographically, demand remains resilient in areas with newer towers, amenities, and a degree of walkability. For example, the vacancy rate in the Katy Freeway East is 7.7%, which is almost 300 basis points below the 2019 year-end tally. Out of Houston's top 10 largest submarkets by inventory, this is arguably the best-performing one. While it is among the most expensive, it offers an attractive mix of restaurants and other retailers and is close to population centers. Buildings within a 2-mile radius of Midway's mixed-use CityCentre show an average occupancy rate of 94%. Almost 25% of the Katy Freeway East's office inventory was built within the last 10 years.

Suburban areas like Katy/Grand Parkway West and The Woodlands are also performing well, with vacancies roughly half the metro average. Katy/Grand Parkway West is home to affluent, fast-growing cities like Katy and Cinco Ranch, while the Woodlands, also a key area for population growth in Houston, has a large pool of educated residents and plenty of live/work/play nodes.

Conversely, vacancies are highest in the Greenspoint/N Belt West submarket, at 43%. More than 80% of its inventory was built before 1990, and just one building was built within the past 10 years.

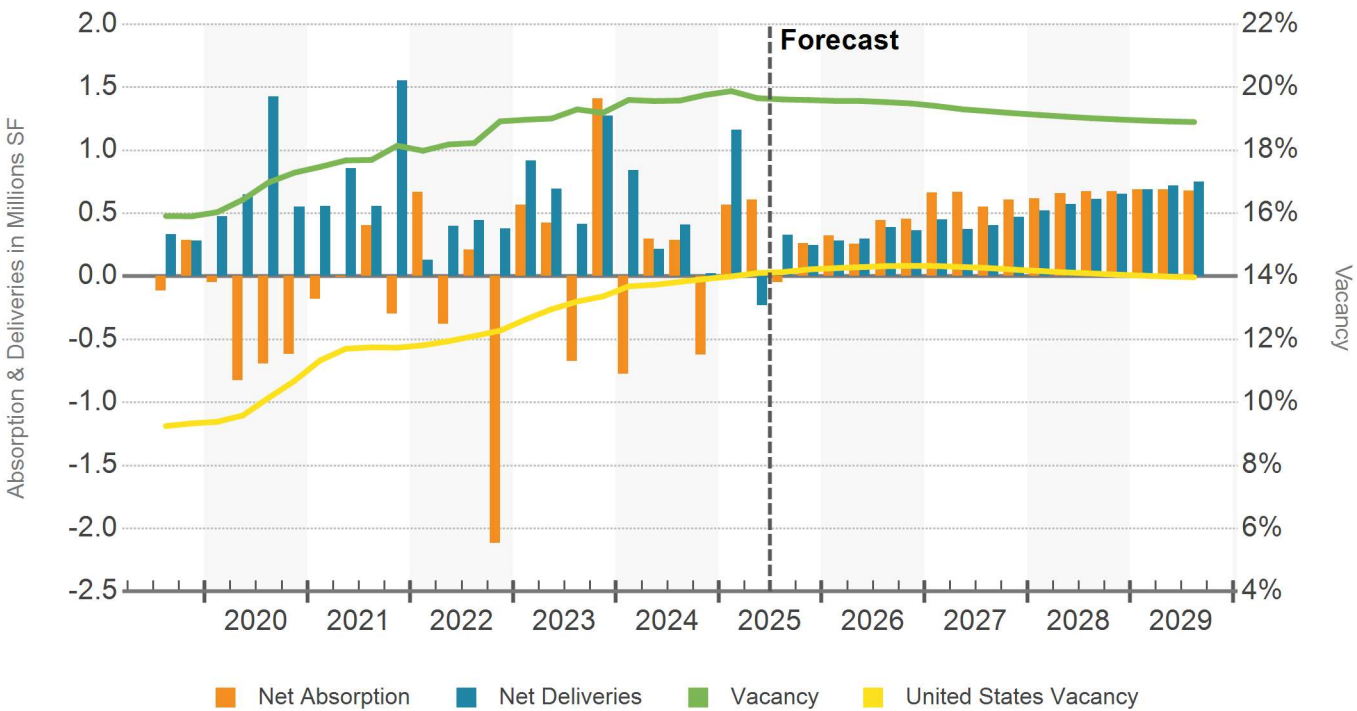
Even in affluent, highly desired areas like the Galleria/Uptown, the vacancy rate remains high, 34%, though the figure masks property-level variations. For example, the 500,000-SF building on 1300 Post Oak Blvd, which is part of Four Oaks Place, is 97% leased. The 25-story tower was renovated in 2022.

There is now 73.3 million SF of available space on the market, which, while still 8 million SF above the year-end 2019 tally, has been edging down in recent quarters, suggesting the market may have reached its low point. Sublease space has also ticked downward.

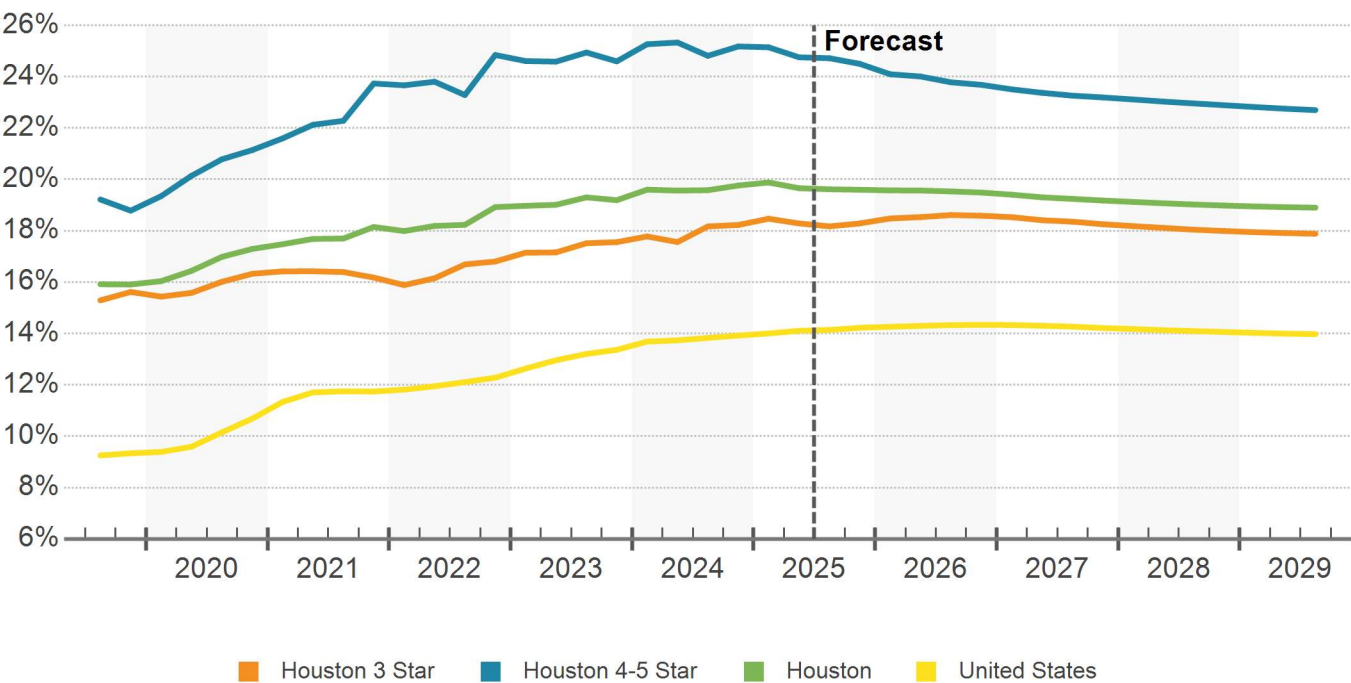
Older office inventory is most at risk, as demand remains weak to backfill that empty space. Almost 70% of available space across the market is in properties built before 1980.

Looking ahead, the forecast calls for the vacancy rate to remain elevated, but stable. Most companies planning to downsize have already done so, and notable negative absorption shocks are not anticipated in the near term. Still, with office-using job growth slowing, demand conditions will likely not change meaningfully in the next year or two. Job growth in the medical office subcategory, driven by ambulatory healthcare, has increased by around 4% in the past year and is expected to continue above overall job growth, even as it slows in the years ahead, and be a major driver of office demand.

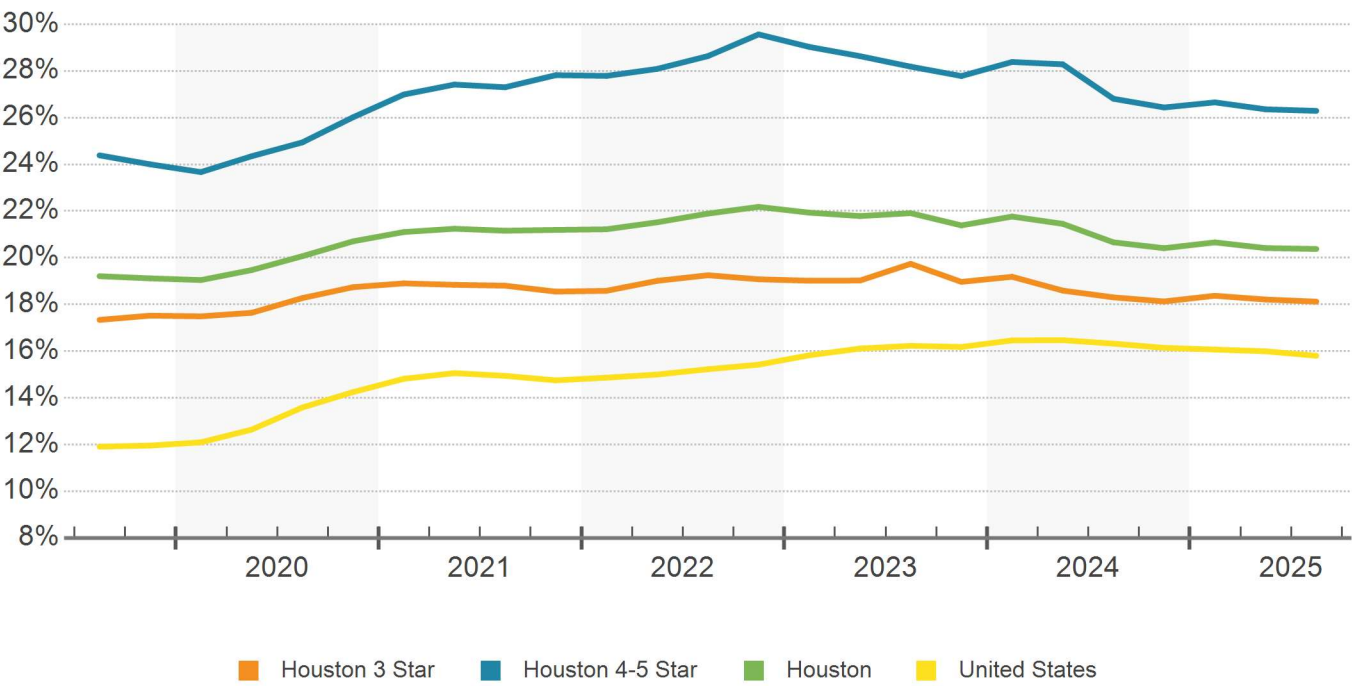
NET ABSORPTION, NET DELIVERIES & VACANCY



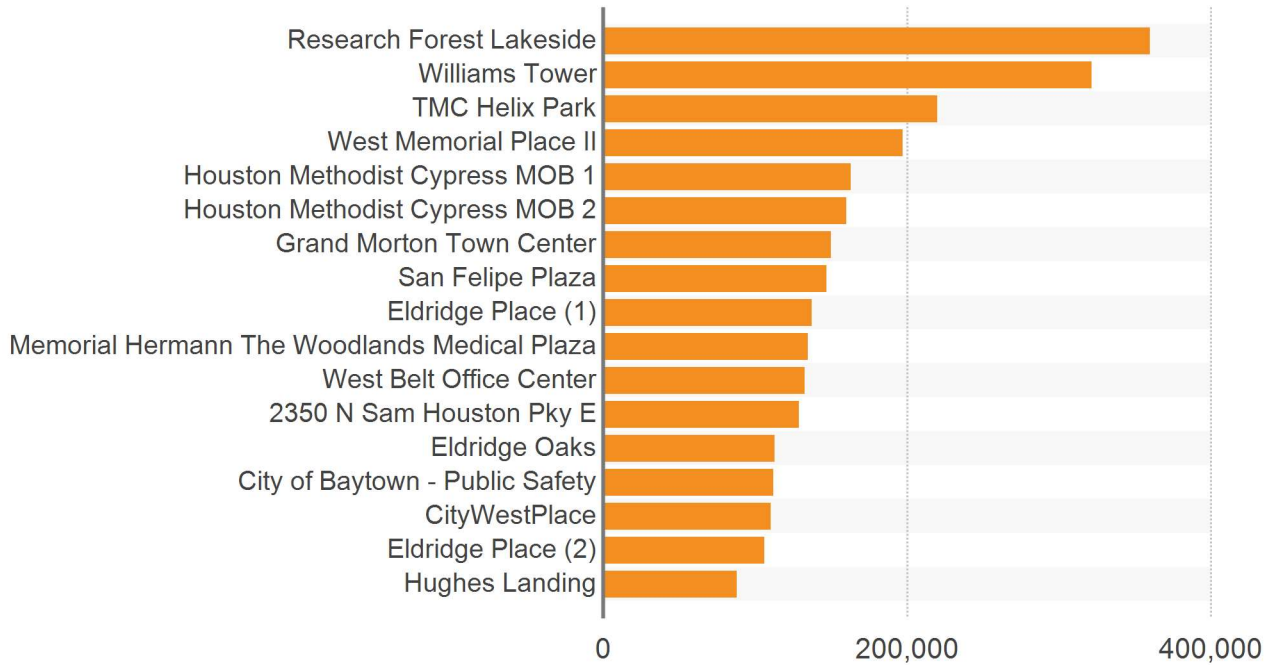
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Research Forest Lakeside	The Woodlands	360,000	0	0	360,000	0	0	360,000
Williams Tower	Galleria/Uptown	1,482,384	276,652	337,214	0	(16,222)	0	321,728
TMC Helix Park	South Main/Medical...	350,000	105,643	10,292	114,249	75,800	0	219,844
West Memorial Place II	Katy Freeway West	384,531	0	0	0	0	0	197,091
Houston Methodist Cypress MO...	FM 1960/Hwy 249	143,352	0	162,900	0	0	0	162,900
Houston Methodist Cypress MO...	FM 1960/Hwy 249	140,976	0	160,200	0	0	0	160,200
Grand Morton Town Center	Katy/Grand Parkway...	150,000	0	0	0	150,000	0	150,000
San Felipe Plaza	San Felipe/Voss	980,472	241,941	54,912	17,281	53,328	0	147,183
Eldridge Place (1)	Katy Freeway West	308,186	0	0	0	0	0	137,344
Memorial Hermann The Woodla...	The Woodlands	118,800	0	135,000	0	0	0	135,000
West Belt Office Center	Southwest Beltway 8	132,599	0	0	132,599	0	0	132,599
2350 N Sam Houston Pky E	Greenspoint/IAH	161,750	0	0	0	128,931	0	128,931
Eldridge Oaks	Katy Freeway West	350,000	98,771	10,435	12,211	37,321	0	113,124
City of Baytown - Public Safety	Baytown	112,000	0	112,000	0	0	0	112,000
CityWestPlace	Westchase	311,553	13,125	110,250	0	0	0	110,250
Eldridge Place (2)	Katy Freeway West	277,515	14,882	1,295	386	5,277	0	106,137
Hughes Landing	The Woodlands	318,170	121,955	54,712	14,825	0	0	88,226
Subtotal Primary Competitors		6,082,288	872,969	1,149,210	651,551	434,435	0	2,782,557
Remaining Houston Market		351,334,429	69,393,166	(584,880)	(45,683)	(329,082)	0	(2,002,043)
Total Houston Market		357,416,717	70,266,135	564,330	605,868	105,353	0	780,514

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Allen Center *	CBD	259,774	Q4 24	Plains All American Pipeline	Cushman & Wakefield	Brookfield Properties, I...
Allen Center *	CBD	221,000	Q1 25	Aramco	Cushman & Wakefield	Brookfield Properties, I...
Allen Center *	CBD	173,800	Q1 25	Aramco	Cushman & Wakefield	CBRE
Mason Creek Business Park	Katy/Grand Parkway West	135,716	Q3 25	GEICO	-	JLL
5444 Westheimer Rd	Galleria/Uptown	126,223	Q1 25	Westlake Corporation	Partners	Tanglewood Property...
Westway Business Park *	West Belt	120,295	Q4 24	Galen College of Nursing	-	Transwestern Real Est...
Westway Park	West Belt	109,833	Q4 24	Quest Diagnostics	-	Colliers
Four Oaks Place *	Galleria/Uptown	99,340	Q3 24	Stewart Title Company	-	-
Houston Technology Center	Southwest Beltway 8	94,179	Q4 24	Ezee Fiber	-	Transwestern Real Est...
Hess Tower	CBD	91,500	Q4 24	EDP Renewables North A...	-	Newmark
Deerwood Glen Business Park	Gulf Freeway/Pasadena	80,613	Q3 24	-	-	Transwestern Real Est...
Williams Tower *	Galleria/Uptown	79,550	Q2 25	Morgan Stanley	-	CBRE
11100 Brittmoore Park	West Belt	76,000	Q4 24	MCA Communications Inc	-	-
397 N Sam Houston Pky E	Greenspoint/N Belt West	71,756	Q1 25	Faith United Inc	-	Avid Commercial Real...
Great Jones	CBD	65,909	Q3 24	Spaces.	JLL	CBRE
Kirby Grove	Greenway Plaza	64,775	Q1 25	Mercuria	-	Cushman & Wakefield
Westway Park	West Belt	62,483	Q3 25	-	-	CBRE
Four Oaks Place *	Galleria/Uptown	59,604	Q1 25	Engie North America	-	-
The Offices at Greenhouse	Katy/Grand Parkway West	56,433	Q4 24	DNV Group	JLL	Transwestern Real Est...
1001 Fannin St *	CBD	55,082	Q2 25	Black Stone Minerals	Cushman & Wakefield	Partners
Texas Tower	CBD	52,482	Q1 25	Skadden	-	Cushman & Wakefield
Energy Plaza	Katy Freeway West	52,012	Q4 24	Black & Veatch	Savills	CBRE
910 Louisiana	CBD	51,440	Q2 25	Summit Midstream Partne...	Cushman & Wakefield	Partners
1900 West Loop S *	Galleria/Uptown	50,816	Q4 24	Transwestern Real Estate...	-	Transwestern Real Est...
CityWestPlace	Westchase	50,544	Q2 25	Bechtel Corporation	CBRE	Cushman & Wakefield
910 Louisiana	CBD	50,506	Q2 25	Consolidated Asset Mana...	Cresa	Partners
Westgate	Katy Freeway West	50,489	Q4 24	McDermott	-	JLL
Kiewit Energy Company *	The Woodlands	50,102	Q3 24	Kiewit	-	JLL
Research Forest Lakeside *	The Woodlands	48,981	Q2 25	ChampionX	-	Warmack Investments
Beltway Lakes	West Belt	47,903	Q4 24	Lennar - Houston Division	-	JLL
Westlake Park	Katy Freeway West	47,150	Q3 25	DBR Engineering Consult...	Avison Young	JLL
TC Energy Center	CBD	42,985	Q2 25	O'Melveny & Myers	-	CBRE
Sugar Land Medical Plaza *	E Fort Bend Co/Sugar Land	42,345	Q3 24	-	-	Transwestern Real Est...
Allen Center *	CBD	41,677	Q4 24	Freeport LNG	-	CBRE
Eldridge Place	Katy Freeway West	41,454	Q1 25	SM Energy Company	Mulhern & Company...	Granite
TC Energy Center	CBD	41,086	Q3 25	Wright, Close & Barger, LLP	-	CBRE
Energy Crossing	Katy Freeway West	40,188	Q4 24	Thyssenkrupp	Cushman & Wakefield	Lincoln Property Comp...
Autry Park	Midtown	40,154	Q2 25	-	-	CBRE;DGMG Interests
Autry Park	Midtown	39,869	Q2 25	Corient	-	CBRE;DGMG Interests
Four Oaks Place	Galleria/Uptown	39,736	Q4 24	Sempra	-	CBRE

*Renewal

Office asking rents have remained relatively unchanged over the past four years, similar to national trends. Moving forward, a lack of available space in premium buildings is expected to offset the glut of older inventory throughout Houston, keeping overall growth in marginally positive territory.

Overall trends, though, can hide property and submarket-level variations. Some of the newest or recently renovated trophy towers in the most in-demand areas within mixed-use settings like City Centre and Memorial City have seen rental rate increases of 10%-20% over the past 18-20 months.

Free rent packages are similar in the CBD and suburbs. Office brokers are generally reporting three months of free rent on a three-year lease, six to eight months of free rent on a five-year lease, and 12 to 18 months of free rent on a 10-year lease. Landlords prefer for the build-out allowance to be applied as construction in the building, but have become more generous, now allowing tenants to use it to pay for things that don't attach to the building, like furniture and moving costs. Build-out allowances are now at \$75-90/SF for legacy buildings and \$110-120/SF for new spaces. These allowances are relatively unchanged from two years ago.

Rent at 4 & 5 Star properties — \$36.00/SF— returned to the 2019 year-end rate at the end of 2023, a milestone that, at a national level, has yet to be reached. Also

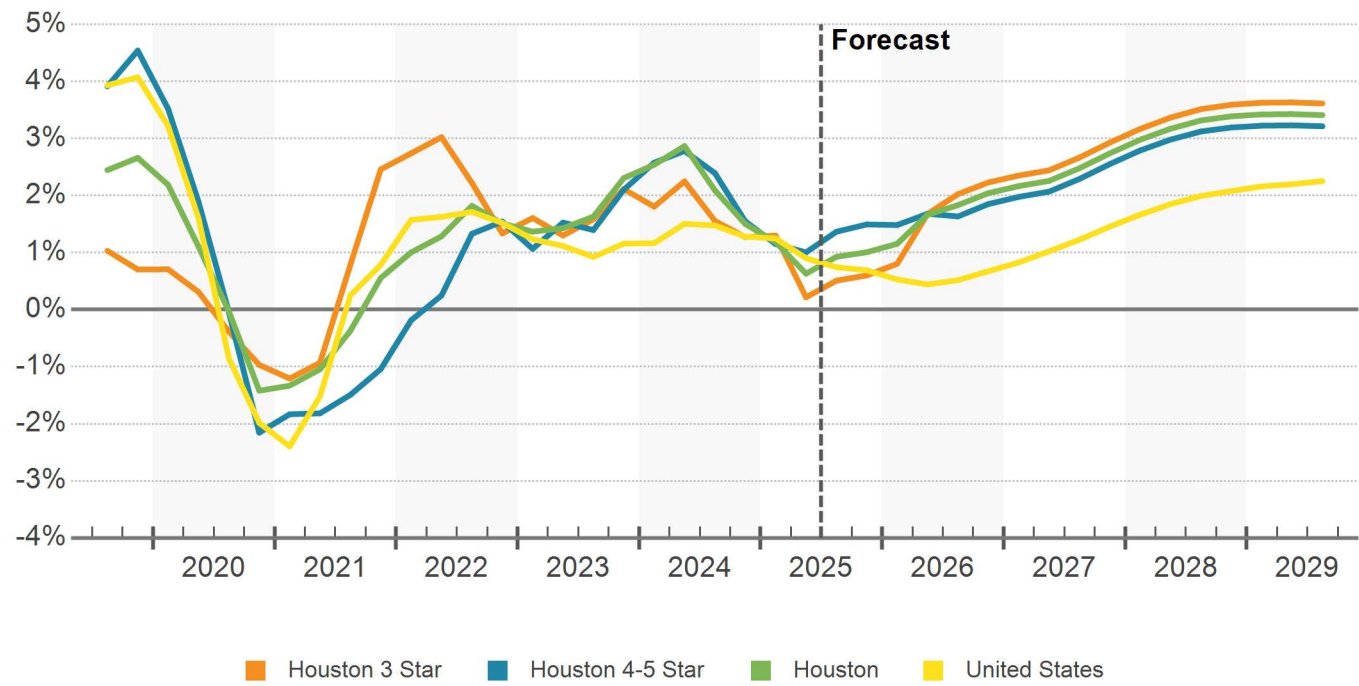
noteworthy, rents in this segment are approaching all-time rates seen in 2015.

The highest rents in Houston are found in submarkets with a significant concentration of 4 & 5 Star buildings. Rents are highest in the CBD, at \$37/SF, followed by the Katy Freeway East, at \$35/SF. New buildings push the threshold for asking rents. For example, Skanska's 28-story tower, which was completed last year on 1550 Lamar St., commands among the highest advertised rents in the market, at around \$50/SF NNN.

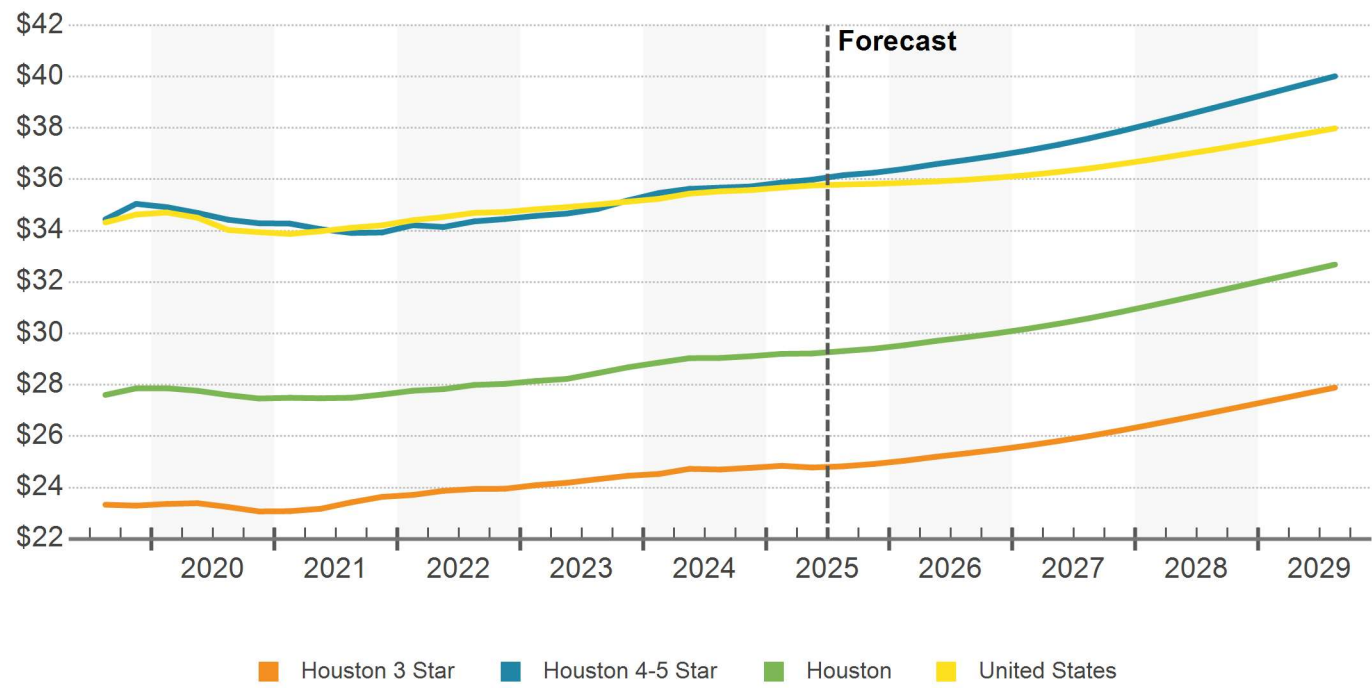
On average, rents for sublet space are about 20% less than direct space, compared to a 15% spread in 2019. However, discounts are often much steeper for second-generation subleases, which have increased as these spaces remain on the market. For example, in the 1983-built Parkwood Circle Building in the NOV Headquarters, sublease rents are being offered at \$12.00/SF modified gross, compared to rents in 3 Star buildings in the Southwest Beltway 8 Submarket where the building is located, which average \$20/SF, a 40% discount.

With record high vacancy rates, tenants will continue to have leverage, especially in older buildings in less desirable areas. Conversely, first-generation space in Houston's most highly sought-after locations could continue to prove the exception, especially as new supply slows sharply.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Houston	\$0.56	\$1.09	\$0.73	\$4.34	\$5.28	\$12
Baytown	\$0.53	\$1.61	\$0.83	\$5.16	\$8.98	\$17.11
Bellaire	\$0.66	\$1.20	\$0.64	\$3.34	\$5.44	\$11.28
Conroe	\$0.47	\$0.59	\$0.57	\$2.91	\$3.94	\$8.48
Downtown	\$0.57	\$1.34	\$1.09	\$5.03	\$6.60	\$14.63
E Fort Bend Co/Sugar Land	\$0.43	\$0.82	\$1.07	\$3.03	\$4.38	\$9.73
FM 1960	\$0.49	\$0.74	\$0.65	\$2.75	\$4.79	\$9.42
Greenway Plaza	\$0.66	\$1.12	\$0.75	\$5.19	\$3.91	\$11.63
Gulf Freeway/Pasadena	\$0.58	\$1.08	\$0.89	\$2.76	\$6.13	\$11.44
Katy Freeway	\$0.63	\$1.10	\$0.63	\$5.17	\$5.64	\$13.17
Katy/Grand Parkway West	\$0.51	\$0.87	\$0.87	\$3.84	\$4.90	\$10.99
Kingwood/Humble	\$0.50	\$0.89	\$0.50	\$4.14	\$3.86	\$9.89
NASA/Clear Lake	\$0.54	\$0.94	\$0.76	\$2.12	\$4.42	\$8.78
North Belt	\$0.33	\$0.70	\$0.47	\$1.20	\$2.78	\$5.48
Northeast Near	\$0.46	\$1.15	\$0.58	\$4.45	\$8.54	\$15.18
Northeast Outlier	\$0.26	\$0.77	\$1.22	\$2.19	\$3.05	\$7.49
Northwest	\$0.44	\$0.81	\$0.43	\$1.80	\$3.56	\$7.04
Northwest Outlier	\$0.52	\$0.77	\$0.67	\$3.76	\$3.79	\$9.51
Outlying Montgomery Cnty	\$0.57	\$1.55	\$0.62	\$2.93	\$9.13	\$14.80
San Felipe/Voss	\$0.55	\$1.04	\$0.85	\$2.61	\$3.46	\$8.51
South	\$0.47	\$1.11	\$0.90	\$7.60	\$4.78	\$14.86
South Main/Medical Center	\$0.63	\$1.15	\$0.83	\$4.93	\$4.97	\$12.51
Southeast Outlier	\$0.53	\$1.21	\$0.69	\$1.69	\$6.71	\$10.83
Southwest	\$0.50	\$0.59	\$0.33	\$0.85	\$3.28	\$5.55
Southwest Far	\$0.53	\$1	\$0.66	\$3.43	\$5.09	\$10.71
Southwest Outlier	\$0.53	\$0.77	\$0.68	\$2.30	\$3.86	\$8.14
The Woodlands	\$0.56	\$1.22	\$0.55	\$5.87	\$5.33	\$13.53
West Belt	\$0.57	\$1.22	\$0.58	\$3.13	\$4.38	\$9.88
West Loop	\$0.68	\$1.16	\$0.69	\$5.17	\$6.12	\$13.82
Westchase	\$0.55	\$1.38	\$0.81	\$4.46	\$5.45	\$12.65

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Houston	\$0.41	\$0.80	\$0.58	\$3.87	\$3.28	\$8.94
Austin County	\$0.41	\$0.77	\$0.53	\$2.16	\$3	\$6.87
Baytown	\$0.38	\$0.79	\$0.49	\$3.90	\$2.83	\$8.39
Bellaire	\$0.54	\$0.84	\$0.48	\$2.59	\$3.63	\$8.08
Conroe	\$0.32	\$0.85	\$0.47	\$3.44	\$3.50	\$8.58
Downtown	\$0.43	\$0.88	\$0.66	\$4.45	\$3.96	\$10.38
E Fort Bend Co/Sugar Land	\$0.28	\$0.42	\$0.92	\$4.57	\$2.66	\$8.85
FM 1960	\$0.45	\$0.76	\$0.52	\$3.39	\$3.78	\$8.90
Greenway Plaza	\$0.52	\$0.98	\$0.63	\$5.65	\$3.63	\$11.41
Gulf Freeway/Pasadena	\$0.42	\$0.79	\$0.64	\$4.07	\$3.43	\$9.35
I-10 East	\$0.39	\$0.78	\$0.53	\$3.60	\$2.85	\$8.15
Katy Freeway	\$0.38	\$0.83	\$0.39	\$4.32	\$3.09	\$9.01
Katy/Grand Parkway West	\$0.34	\$0.81	\$0.75	\$4.48	\$3.37	\$9.75
Kingwood/Humble	\$0.41	\$0.90	\$0.42	\$2.97	\$3.18	\$7.88
Liberty County	\$0.52	\$0.79	\$0.66	\$2.77	\$3.80	\$8.54
NASA/Clear Lake	\$0.46	\$0.89	\$0.50	\$3.44	\$3.50	\$8.79
North Belt	\$0.31	\$0.69	\$0.38	\$1.93	\$2.51	\$5.82
Northeast Near	\$0.38	\$0.77	\$0.49	\$4.44	\$2.75	\$8.83
Northeast Outlier	\$0.22	\$0.76	\$0.91	\$6.25	\$2.52	\$10.66
Northwest	\$0.41	\$0.78	\$0.42	\$4.82	\$3.03	\$9.46
Northwest Outlier	\$0.46	\$0.80	\$0.58	\$3.82	\$3.50	\$9.16
Outlying Chambers County	\$0.41	\$0.77	\$0.53	\$1.83	\$3.03	\$6.57
Outlying Montgomery Cnty	\$0.47	\$0.87	\$0.57	\$2.73	\$3.55	\$8.19
Outlying Waller County	\$0.40	\$0.77	\$0.51	\$1.82	\$2.91	\$6.41
Richmond/Fountainview	\$0.65	\$0.79	\$0.62	\$2.64	\$3.39	\$8.09
San Felipe/Voss	\$0.49	\$0.98	\$0.64	\$3.56	\$2.94	\$8.61
South	\$0.39	\$0.78	\$0.94	\$5.10	\$2.66	\$9.87
South Hwy 35	\$0.39	\$0.77	\$0.50	\$2.97	\$2.84	\$7.47
South Main/Medical Center	\$0.51	\$1.05	\$0.67	\$4.48	\$3.68	\$10.39
Southeast Outlier	\$0.42	\$0.82	\$0.53	\$3.08	\$3.13	\$7.98
Southwest	\$0.45	\$0.65	\$0.42	\$2.49	\$2.49	\$6.50
Southwest Far	\$0.41	\$0.76	\$0.55	\$5.16	\$3.02	\$9.90
Southwest Outlier	\$0.44	\$0.78	\$0.56	\$3.89	\$3.21	\$8.88
The Woodlands	\$0.40	\$0.89	\$0.39	\$3.53	\$3.28	\$8.49
West Belt	\$0.46	\$1.07	\$0.46	\$3.77	\$2.66	\$8.42
West Loop	\$0.48	\$1.02	\$0.51	\$3.90	\$4.19	\$10.10
Westchase	\$0.35	\$1.01	\$0.53	\$3.05	\$3.19	\$8.13

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Houston	\$0.41	\$0.80	\$0.54	\$3.89	\$3.13	\$8.77
Austin County	\$0.35	\$0.77	\$0.46	\$1.90	\$2.59	\$6.07
Baytown	\$0.37	\$0.77	\$0.50	\$3.36	\$2.75	\$7.75
Bellaire	\$0.54	\$0.78	\$0.46	\$3.75	\$3.49	\$9.02
Conroe	\$0.29	\$0.78	\$0.44	\$2.22	\$3.20	\$6.93
Downtown	\$0.46	\$0.84	\$0.65	\$5.88	\$3.78	\$11.61
E Fort Bend Co/Sugar Land	\$0.26	\$0.42	\$0.83	\$3.89	\$2.50	\$7.90
FM 1960	\$0.39	\$0.77	\$0.44	\$2.85	\$3.12	\$7.57
Greenway Plaza	\$0.51	\$0.91	\$0.59	\$6.89	\$3.44	\$12.34
Gulf Freeway/Pasadena	\$0.40	\$0.78	\$0.62	\$3.06	\$3.32	\$8.18
I-10 East	\$0.37	\$0.78	\$0.47	\$3.57	\$2.70	\$7.89
Katy Freeway	\$0.38	\$0.80	\$0.37	\$4.23	\$2.94	\$8.72
Katy/Grand Parkway West	\$0.39	\$0.78	\$0.92	\$3.91	\$3.77	\$9.77
Kingwood/Humble	\$0.38	\$0.90	\$0.39	\$3.24	\$2.96	\$7.87
Liberty County	\$0.36	\$0.78	\$0.46	\$2.68	\$2.63	\$6.91
NASA/Clear Lake	\$0.45	\$0.89	\$0.47	\$3.56	\$3.49	\$8.86
North Belt	\$0.32	\$0.71	\$0.40	\$2.46	\$2.69	\$6.58
Northeast Near	\$0.34	\$0.77	\$0.44	\$3.80	\$2.48	\$7.83
Northeast Outlier	\$0.21	\$0.76	\$1.01	\$3.42	\$2.54	\$7.94
Northwest	\$0.41	\$0.76	\$0.41	\$5.76	\$2.95	\$10.29
Northwest Outlier	\$0.42	\$0.78	\$0.54	\$4.02	\$3.05	\$8.81
Outlying Chambers County	\$0.41	\$0.77	\$0.53	\$3.21	\$3	\$7.92
Outlying Montgomery Cnty	\$0.40	\$0.78	\$0.51	\$3.33	\$2.95	\$7.97
Outlying Waller County	\$0.38	\$0.77	\$0.50	\$2.38	\$2.81	\$6.84
Richmond/Fountainview	\$0.52	\$0.77	\$0.49	\$4.18	\$2.67	\$8.63
San Felipe/Voss	\$0.43	\$0.96	\$0.48	\$7.21	\$3.15	\$12.23
South	\$0.37	\$0.78	\$0.90	\$4.13	\$2.47	\$8.65
South Hwy 35	\$0.39	\$0.77	\$0.51	\$2.65	\$2.88	\$7.20
South Main/Medical Center	\$0.45	\$1.05	\$0.58	\$5.85	\$3.24	\$11.17
Southeast Outlier	\$0.49	\$0.77	\$0.63	\$2.33	\$3.56	\$7.78
Southwest	\$0.50	\$0.63	\$0.41	\$2.54	\$2.84	\$6.92
Southwest Far	\$0.39	\$0.78	\$0.50	\$2.65	\$2.86	\$7.18
Southwest Outlier	\$0.34	\$0.78	\$0.44	\$3.64	\$2.56	\$7.76
The Woodlands	\$0.38	\$0.90	\$0.35	\$3.36	\$3.19	\$8.18
West Belt	\$0.43	\$1.08	\$0.42	\$4.78	\$2.52	\$9.23
West Loop	\$0.48	\$1.08	\$0.48	\$4.66	\$3.73	\$10.43
Westchase	\$0.31	\$0.97	\$0.42	\$2.96	\$2.86	\$7.52

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Supply-side pressure is minimal in the Houston office market. As of the third quarter of 2025, there is 2.5 million SF underway, equal to just 0.7% of total inventory and about half of the 10-year average of 4.7 million SF. Houston's under-construction pipeline had already thinned out notably since the 2016 oil bust, and has done so even more over the past few quarters as higher borrowing costs and limited financing availability have made it difficult for projects to break ground. With construction starts near all-time lows, local tenant reps predict that tenants will start backfilling second and third-generation space in the coming months due to limited availability for first-generation space.

Approximately 80% of what is underway is preleased, minimizing the impact of new supply. Much of this space is found in the fast-growing north and western suburbs of Houston. Developers who are able to obtain financing for spec buildings are often targeting submarkets with established mixed-use projects. For example, recent projects such as Midway's 308,000-SF CityCentre Six Office, MetroNational's 190,000-SF building, and Moody Rambin's 170,000-SF Town Centre Two—all within or near CityCentre in the Katy Freeway East Submarket—have all leased quickly and underscore the strong demand for quality office space among walkable, high-density settings.

Meanwhile, the CBD has made headlines of its own recently. In 2024, Skanska completed a 28-story spec tower on 1550 Lamar St. Law firm Norton Rose Fulbright is the anchor tenant and leased one-third of the building prior to its completion. The 390,000-SF building marks

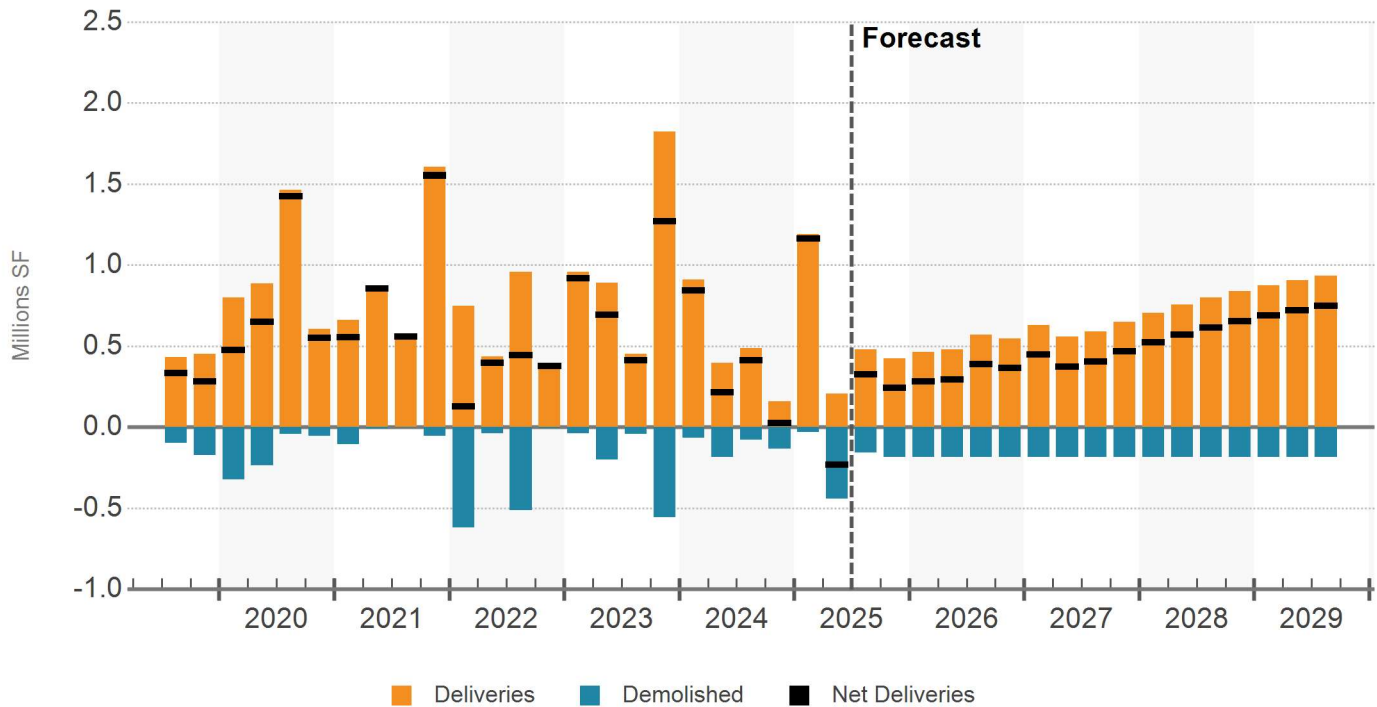
the first phase of its Discovery West mixed-use development, which, upon build-out, will include retail, restaurant, and adjacent multifamily units.

Further south, the South Main/Medical Center Submarket has had one of Houston's most active office pipelines over the past few years after a near-dearth in construction activity between 2010 and 2020. Over the past three years, nearly 2 million SF were added. For context, between 2010 and 2020, less than 400,000 SF were completed. New life science developments have taken center stage as the Texas Medical Center works to create the world's largest life science campus.

Market participants agree that the most urgent issue is the overhang of older supply. One-third of Houston's 46 submarkets have an availability rate of at least 20%. Most of these have an abundance of towers built several decades ago. In Greenspoint/N Belt West, towers built before 1990 make up nearly 85% of all inventory, and availabilities in this class of space exceed 35%. Similarly, in the CBD, towers built before 1990 make up nearly 80% of all inventory, and availabilities in this class of space exceed 30%.

With new supply grinding to a halt, renovations of existing offices may pick up in an attempt to attract spillover demand. Local participants predict that converting underperforming office buildings to industrial warehouses and data centers may garner interest, while residential conversions will likely remain rare as the math is harder to pencil in those projects.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

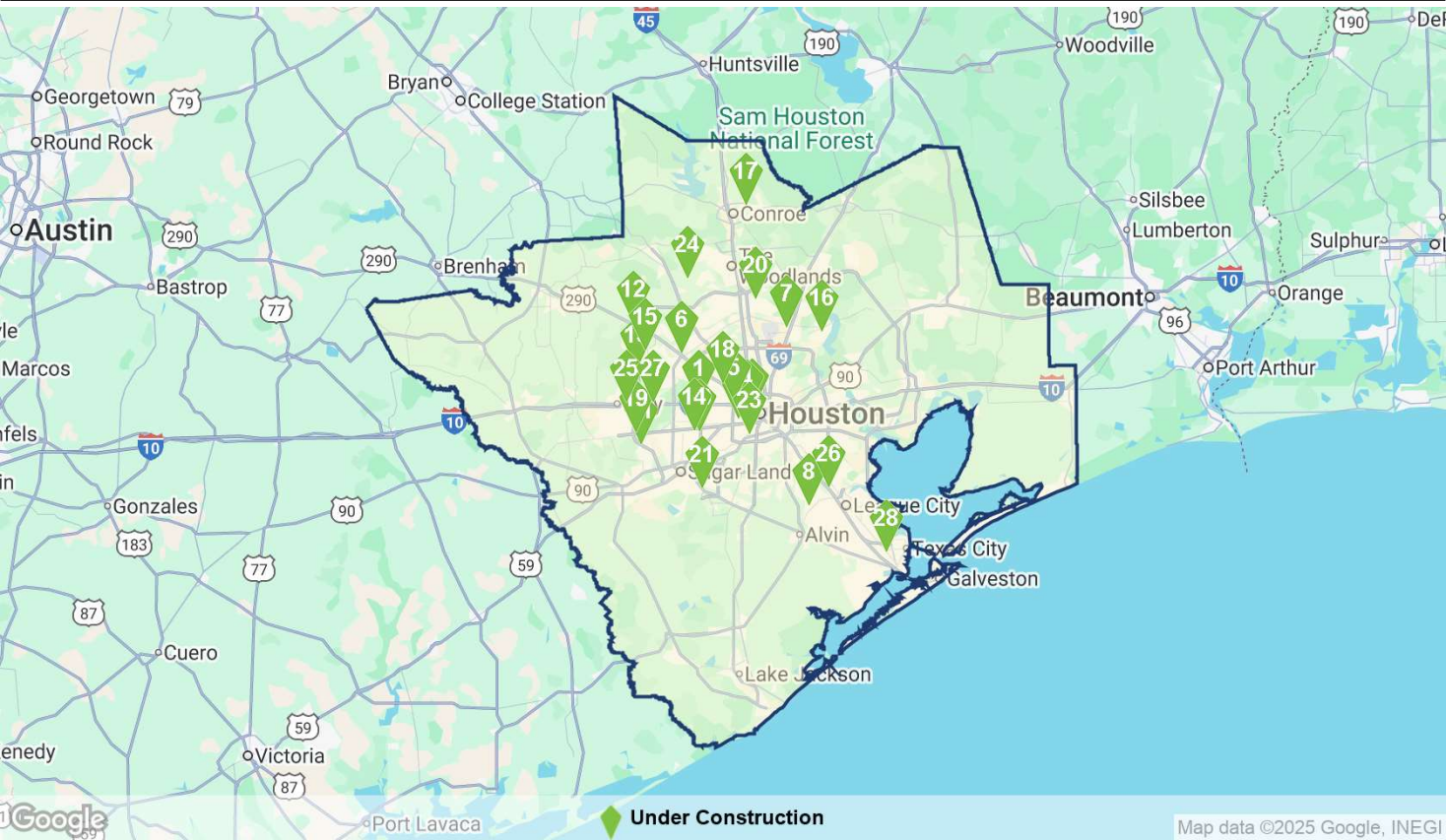
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Midtown	2	338	312	92.3%	3	16,776	168,826	2
2	Katy Freeway East	1	324	215	66.3%	9	44,861	324,450	1
3	Northwest Outlier	18	250	144	57.7%	10	8,035	13,890	9
4	Southwest Outlier	16	250	214	85.9%	5	8,669	15,602	8
5	E Fort Bend Co/Sugar Land	24	169	120	70.7%	8	20,744	7,051	10
6	Kingwood/Humble	7	162	130	79.9%	6	15,973	23,196	7
7	Greenway Plaza	1	146	146	100%	1	48,243	146,003	3
8	Southwest Beltway 8	2	128	110	86.2%	4	37,595	63,944	5
9	North Loop West	2	126	90	71.8%	7	15,371	62,979	6
10	FM 1960/Hwy 249	1	120	120	100%	1	20,446	120,000	4
	All Other	28	513	434	84.6%		35,530	18,329	
Totals		102	2,526	2,036	80.6%		30,478	24,769	

Under Construction Properties

Houston Office

Properties	Square Feet	Percent of Inventory	Released
102	2,526,422	0.7%	80.6%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 CityCentre Six Office 903 Town and Country Ln	★★★★★	324,450	19	Apr 2024	Mar 2026	Midway Midway
2 1945 Allen Pky	★★★★★	210,000	14	Oct 2024	Feb 2027	Hines -
3 The RO - Parcel 1 3120 Buffalo Speedway	★★★★★	146,003	13	Jun 2024	Sep 2025	Transwestern Development Com... Transwestern Development Com...
4 Autry Park 3712 Autry Park Dr	★★★★★	127,651	7	Jun 2025	Nov 2026	- Hanover Company
5 XSpace Houston 7022 Old Katy Rd	★★★★★	120,000	4	Jun 2025	Jun 2026	XSpace Group XSpace Group
6 Kelsey Seybold Northwe... 19926 Northwest Fwy	★★★★★	120,000	3	Jul 2023	Sep 2025	Kelsey-Seybold Clinic Welltower Inc.
7 18835 McKay Dr	★★★★★	105,000	4	Jun 2024	Dec 2025	Arch-Con Corporation Modern Heart And Vascular



Under Construction Properties

Houston Office

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	Castle Biosciences 1500 W Parkwood Ave	★ ★ ★ ★ ★	80,000	4	Oct 2024	Dec 2025	-
9	SWC Creeks End & West...	★ ★ ★ ★ ★	80,000	2	Jan 2025	Dec 2025	Raintree Commercial Pacific Financial
10	Asian City Plaza 6865 W Sam Houston Sou...	★ ★ ★ ★ ★	76,746	6	Aug 2025	Sep 2026	Asian City Development, Inc. Allied Hospitality
11	5151 Meadow Ranch Pky	★ ★ ★ ★ ★	67,475	1	Jan 2025	Sep 2025	-
12	Grand Cypress Doctors... 29404 Northwest Fwy	★ ★ ★ ★ ★	60,000	3	May 2024	Oct 2025	CONAR Building Group Kim Keller
13	Building L 7070 Elyson Exchange Way	★ ★ ★ ★ ★	55,774	2	Oct 2024	Feb 2026	Realty 1 Partners Realty 1 Partners
14	Southern International T... 11116 Bellaire Blvd	★ ★ ★ ★ ★	51,142	4	May 2024	Dec 2025	Southern News Group Southern News Group
15	00 Tuckerton Rd	★ ★ ★ ★ ★	51,000	1	Aug 2025	Aug 2026	Howard Hughes Management Co. Howard Hughes Management Co.
16	Kelsey Seybold Atascocita 17818 W Lake Houston Pk...	★ ★ ★ ★ ★	50,000	3	Jul 2023	Sep 2025	Welltower Inc. Welltower Inc.
17	Children's Safe Harbor 2964 North Loop 336 East	★ ★ ★ ★ ★	45,556	2	Aug 2023	Sep 2025	- Montgomery County Childrens A...
18	Junior Achievement of S... 12200 Northwest Fwy	★ ★ ★ ★ ★	38,081	1	Feb 2025	Jan 2026	- Junior Achievement of Southeast...
19	Peek Rd	★ ★ ★ ★ ★	32,800	1	Jan 2025	Dec 2025	-
20	Cypresswood Office Con... 25913-25929 Cypresswoo...	★ ★ ★ ★ ★	32,625	1	Jun 2025	Oct 2025	-
21	Sienna Plantation Medic... 8130 Highway 6	★ ★ ★ ★ ★	32,000	2	Oct 2024	Oct 2025	- The Johnson Development Corp.
22	1850 Old Spanish Trail	★ ★ ★ ★ ★	30,000	6	Jan 2024	Jan 2026	- University Of Texas System
23	1902 Old Spanish Trail	★ ★ ★ ★ ★	30,000	6	Jan 2024	Feb 2026	- University Of Texas System
24	25201 FM 2978 Rd	★ ★ ★ ★ ★	25,900	1	Apr 2024	Dec 2025	- Arnulfo Rodriguez Roofing Co, Inc.
25	Scott Square Medical Off... 130 Bella Katy Dr	★ ★ ★ ★ ★	25,710	3	May 2023	Sep 2025	-
26	Kelsey-Seybold Clearlak... 1010 S Ponds Dr	★ ★ ★ ★ ★	25,600	3	Oct 2022	Sep 2025	Kelsey-Seybold Clinic Welltower Inc.
27	Katy Green MOB 19135 Katy Fwy	★ ★ ★ ★ ★	24,854	2	Dec 2024	Oct 2025	- SKS Prime Properties LTD
28	1207 Oak St	★ ★ ★ ★ ★	21,200	1	Mar 2024	Sep 2025	- County-Galveston

Momentum in Houston's office investment market continued to build in 2025 following a steady recovery throughout 2024. The total number of transactions during the first half of the year was the second-highest first half on record, suggesting that investor activity is holding firm, despite uncertainty for both the broader economy and the future of office demand.

Despite this reacceleration, institutional investors have been net sellers of office since 2021. Traditionally, they accounted for roughly 40% of annual acquisition activity but represented just 5% of activity in the past year. Still, local brokers note that institutional players have once again started bidding, often on new, vacant office buildings. Part of the interest is due to the lack of new product.

Private buyers and owner-users continue to dominate the buyer pool as they capitalize on deep discounts. Often, these groups are able to buy properties well below replacement. For example, in July, Winthrop Realty Group purchased a 137,000-SF building for \$4.8 million, or \$35/SF. The 1981-built property was last renovated more than 20 years ago, and roughly 33% leased at the time of sale. The building is near the intersection of Belway 8 and Westpark Tollway, two of Houston's key highways.

Vacancy-stricken properties can also be seen trading as though vacant. In a February short sale, 3L Real Estate acquired the 610,000-SF One City Centre from Acceso Partners for \$24.6 million, or \$41/SF. The 1960-built

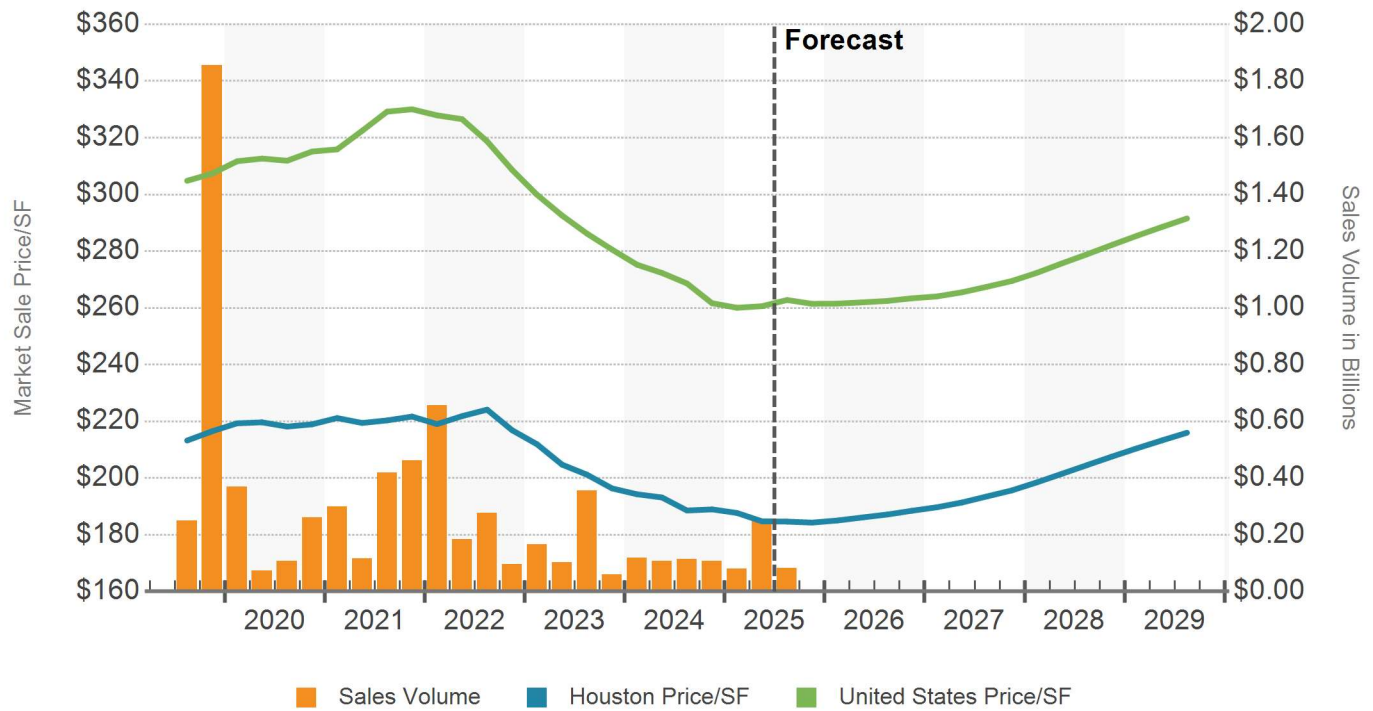
property was last renovated in 2010 and was 21% leased at the time of sale. The seller originally acquired the 29-story office tower in 2012 for \$131 million, or \$216/SF, at 84% occupancy.

Price per pound is often a key driver for non-medical office transactions but in the few cases where in-place income is primary, cap rates are typically between 8% and 9% for deals above \$10 million, up 200 basis points from their peak valuations in 2021. Still, local brokers note that some 5-Star buildings in premier locations may prove to be exceptions to this range and can trade at below 7%.

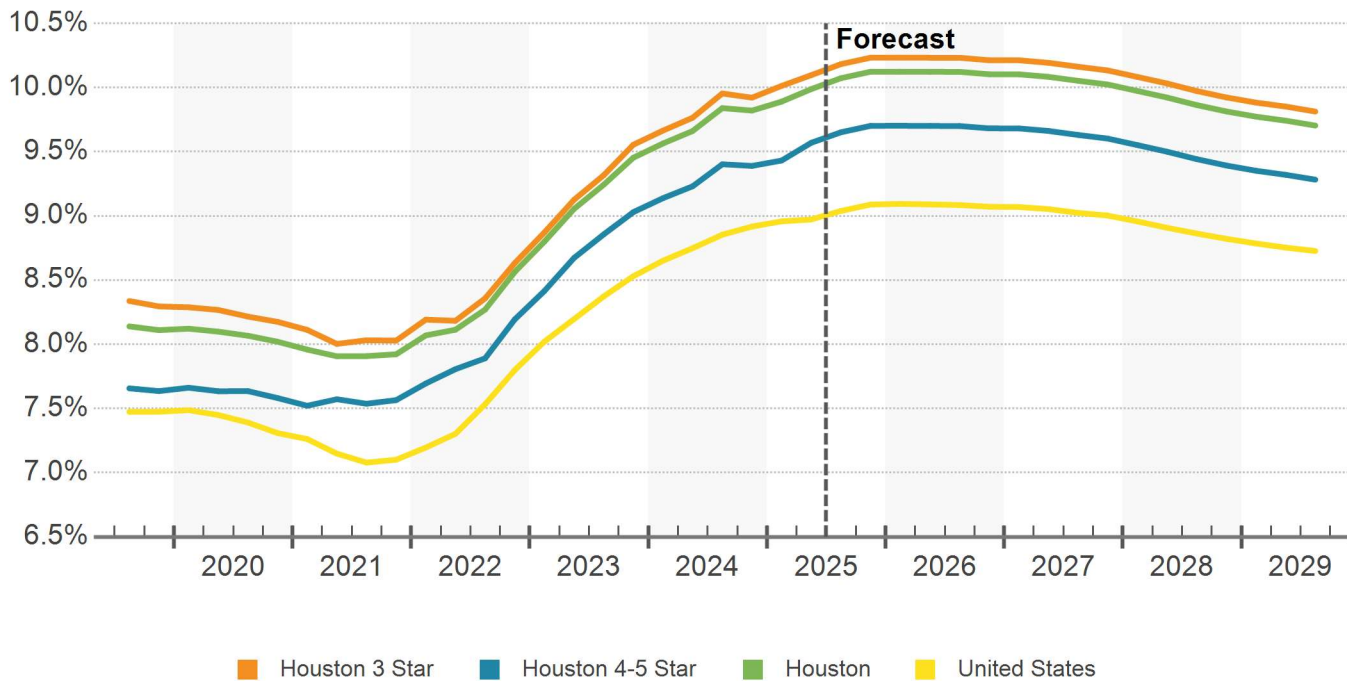
Medical office properties, favored due to their perception of reliable cash flow, have seen cap rates expand less in recent years. They are now in the 7% to 8% range, up about 100 to 150 basis points above their 2022 lows, and in some cases, can fall below 7%. In July, the 22,000-SF Grand Parkway Professional Building in Richmond, southwest, sold at a 7.1% cap rate. The 2013-built property was 86% leased at the time of sale.

Debt maturities pose challenges over the near term, with nearly \$2 billion in office loans maturing through 2027. Delinquencies have retreated slightly from their cycle peak near 15% as of the third quarter of 2025, but remain elevated historically. Fortunately, vacancies appear to be nearing their peak as positive net absorption took hold late last year. Should these trends persist, transaction activity could continue to rise along with investor confidence.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

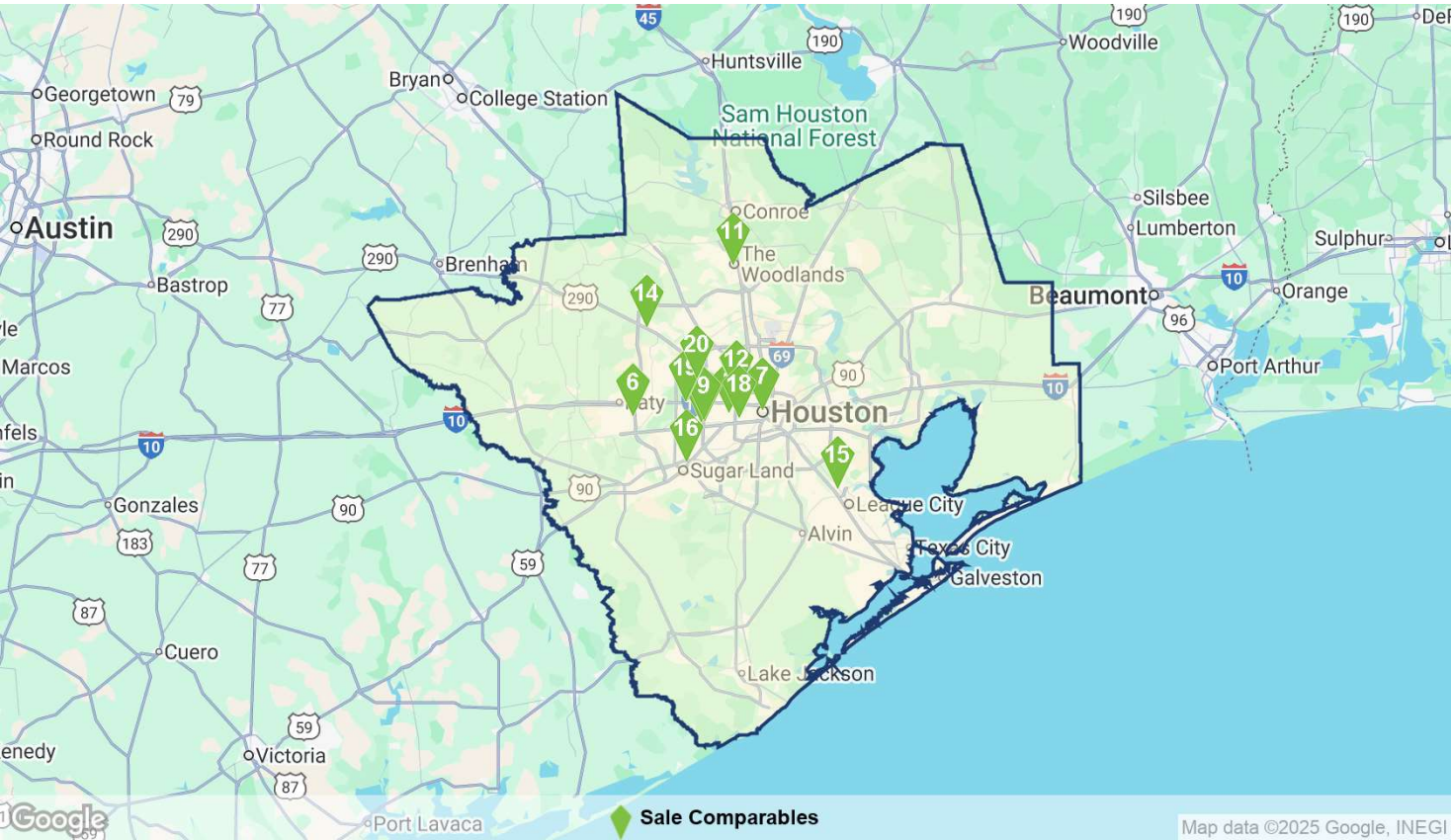


Sales Past 12 Months

Houston Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
883	7.5%	\$86	36.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$25,000	\$5,091,570	\$877,500	\$60,000,000
Price/SF	\$0.88	\$86	\$256	\$651
Cap Rate	1.0%	7.5%	7.7%	11.7%
Time Since Sale in Months	0.0	6.0	6.0	12.0
Property Attributes	Low	Average	Median	High
Building SF	500	43,077	5,455	1,311,133
Stories	1	3	1	51
Typical Floor SF	500	9,879	4,983	181,525
Vacancy Rate At Sale	0%	36.9%	0%	100%
Year Built	1900	1990	1987	2026
Star Rating	★★★★★	★★★★★ 2.6	★★★★★	★★★★★



Sales Past 12 Months

Houston Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 5555 San Felipe St	★★★★★	1983	1,164,707	68.8%	4/7/2025	\$60,000,000	\$52	-
2 Lockton Place 3657 Briarpark Dr	★★★★★	2017	187,317	3.1%	12/27/2024	\$42,000,000	\$224	-
3 Buildings G, H, J, & K 23501 Cinco Ranch Blvd	★★★★★	2006	95,392	5.7%	7/1/2025	\$41,091,184	\$431	-
4 Westchase Park II 3600 W Sam Houston Pky S	★★★★★	2014	293,135	35.0%	5/30/2025	\$29,611,113	\$101	-
5 Westchase Park I 3700 W Sam Houston Pky S	★★★★★	2009	276,690	38.7%	5/30/2025	\$29,338,887	\$106	-
6 Phase III 2717 Commercial Center...	★★★★★	2014	70,506	0%	7/1/2025	\$28,782,691	\$408	-
7 One City Centre 1021 Main St	★★★★★	1960	607,526	79.0%	2/13/2025	\$24,620,000	\$41	-
8 Brookhollow Central II 2900 N Loop Fwy W	★★★★★	1977	304,576	9.8%	6/9/2025	\$21,865,245	\$72	-
9 3250 Briarpark Dr	★★★★★	1998	194,919	21.5%	5/30/2025	\$21,000,000	\$108	10.2%
10 Brookhollow Central III 2950 N Loop Fwy W	★★★★★	1981	300,616	35.5%	6/9/2025	\$20,998,435	\$70	-
11 7 Waterway 10101 Woodloch Forest Dr	★★★★★	2009	200,000	100%	5/15/2025	\$16,300,000	\$82	-
12 Brookhollow Central I 2800 N Loop Fwy W	★★★★★	1972	201,349	19.0%	6/9/2025	\$15,536,320	\$77	-
13 Ashford 7 900 Threadneedle St	★★★★★	1982	197,698	20.2%	3/18/2025	\$13,777,006	\$70	-
14 Athlete Training and Hea... 27646 Northwest Fwy	★★★★★	2024	48,648	0%	9/26/2024	\$13,000,000	\$267	-
15 Diagnostic System Labo... 445 Medical Center Blvd	★★★★★	1985	55,884	0%	8/20/2024	\$12,600,000	\$225	-
16 Sugar Creek on the Lake 14141 Southwest Fwy	★★★★★	1982	516,526	49.3%	12/10/2024	\$12,000,000	\$23	-
17 Ashford 6 1155 Dairy Ashford Rd	★★★★★	1981	186,257	18.3%	3/18/2025	\$11,869,824	\$64	-
18 3100 Timmons 3100 Timmons Ln	★★★★★	1975	111,265	28.7%	8/27/2024	\$10,500,000	\$94	-
19 Ashford 5 14701 St. Marys Ln	★★★★★	1981	195,213	37.6%	3/18/2025	\$8,353,170	\$43	-
20 11100 Brittmoore Park	★★★★★	1999	71,171	100%	10/8/2024	\$8,000,000	\$112	-



Houston continues to be one of the nation's better-performing markets for employment growth. The labor market now has more than 300,000 more jobs than before the pandemic, among the strongest gains in the country.

Nevertheless, like national trends, job growth is cooling. According to the Bureau of Labor Statistics, Houston added less than 50,000 jobs in 2024, ending the pace of six-figure annual job growth witnessed over the previous three years. Looking back at the past 20 years, when excluding boom and bust years, the market has added between 65,000 and 70,000 new jobs each year. Boom years refer to years like 2021 and 2022, while bust years refer to events like the 2009 Great Financial Crisis, the 2015-2016 oil bust, and most recently, the 2020 coronavirus pandemic.

The Houston metropolitan area has a population of roughly 7.9 million, making it the fifth-largest in the U.S. Its young population, affordability, warm climate, low taxes, generally pro-business environment, diversity, and culture continue to attract new residents. Median household income sits at around \$81,000/year. For comparison, the national median income is \$81,000/year. The region's population has grown 18.7% over the past decade, compared to the national benchmark of 6.4%.

Houston took the longest to recover from the pandemic-induced job losses, compared to its fellow Texas Triangle

peers (DFW, Austin, and San Antonio). Oil remains a significant part of Houston's economy, but the Bayou City continues to diversify its economy and foster other sectors such as healthcare, biomedical research, and aerospace. Houston is home to the world's largest medical center. The TMC3 project currently under construction is the linchpin in the Texas Medical Center's plan to establish Texas as the "Third Coast" for commercial life sciences and biotechnology research to compete directly with Cambridge, Massachusetts, and Mission Bay in San Francisco. TMC3 is expected to create 26,000 jobs and generate \$5.2 billion in economic benefits in Houston. In addition, there are several million SF of new life science-oriented mixed-use projects either under construction or planned along a 2-mile stretch of Holcombe Boulevard in the Texas Medical Center.

Houston boasts a relatively low cost of living and high disposable income compared with other large metros. While not widely considered a tourist destination per se, Houston is the fifth-largest metro in the U.S., and it benefits from its proximity to Mexico and other Latin American countries as a major gateway city. For instance, Houston offers more flights to Mexico than any other U.S. metro. Furthermore, due to the Texas Medical Center, it receives a significant volume of medical tourism, welcoming scores of patients and their families every year from every corner of the globe.

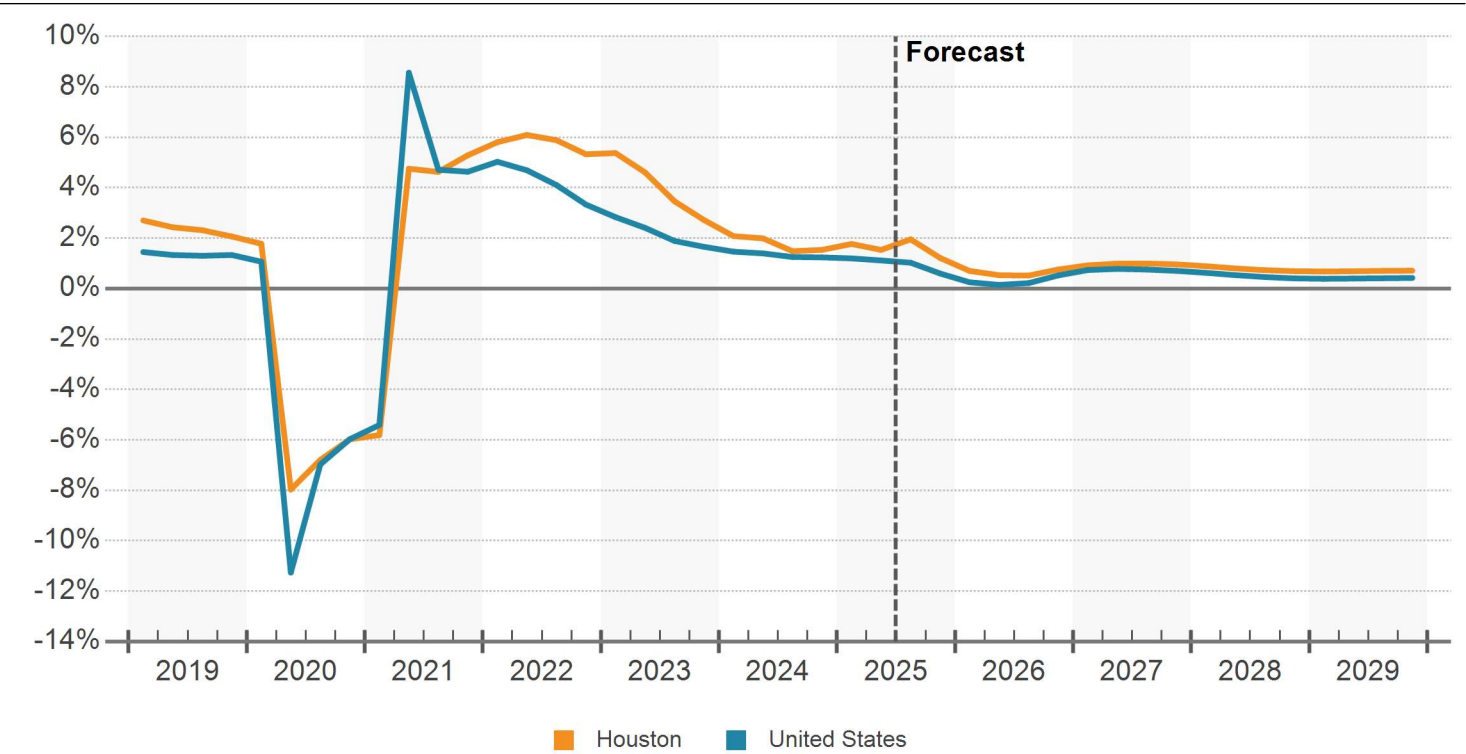
HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	240	0.9	-0.03%	-0.78%	-0.13%	0.33%	0.12%	0.06%
Trade, Transportation and Utilities	708	1.1	1.77%	0.62%	1.56%	0.84%	0.55%	0.24%
Retail Trade	324	0.9	0.89%	0.41%	0.80%	0.02%	0.42%	0.18%
Financial Activities	189	0.9	3.33%	0.97%	2.22%	1.31%	0.65%	0.29%
Government	458	0.9	1.35%	0.88%	1.87%	0.68%	0.70%	0.21%
Natural Resources, Mining and Construction	317	1.6	1.97%	1.23%	-0.03%	2.10%	0.26%	0.60%
Education and Health Services	473	0.8	2.78%	3.39%	2.65%	2.21%	1.20%	0.75%
Professional and Business Services	574	1.2	0.86%	-0.06%	1.79%	1.34%	1.00%	0.66%
Information	30	0.5	-0.19%	0.04%	-0.46%	0.67%	0.18%	0.35%
Leisure and Hospitality	372	1.0	2.27%	1.43%	2.23%	1.18%	1.06%	0.80%
Other Services	135	1.0	3.33%	1.19%	2.30%	0.73%	0.69%	0.23%
Total Employment	3,496	1.0	1.77%	1.06%	1.60%	1.19%	0.74%	0.45%

Source: Oxford Economics

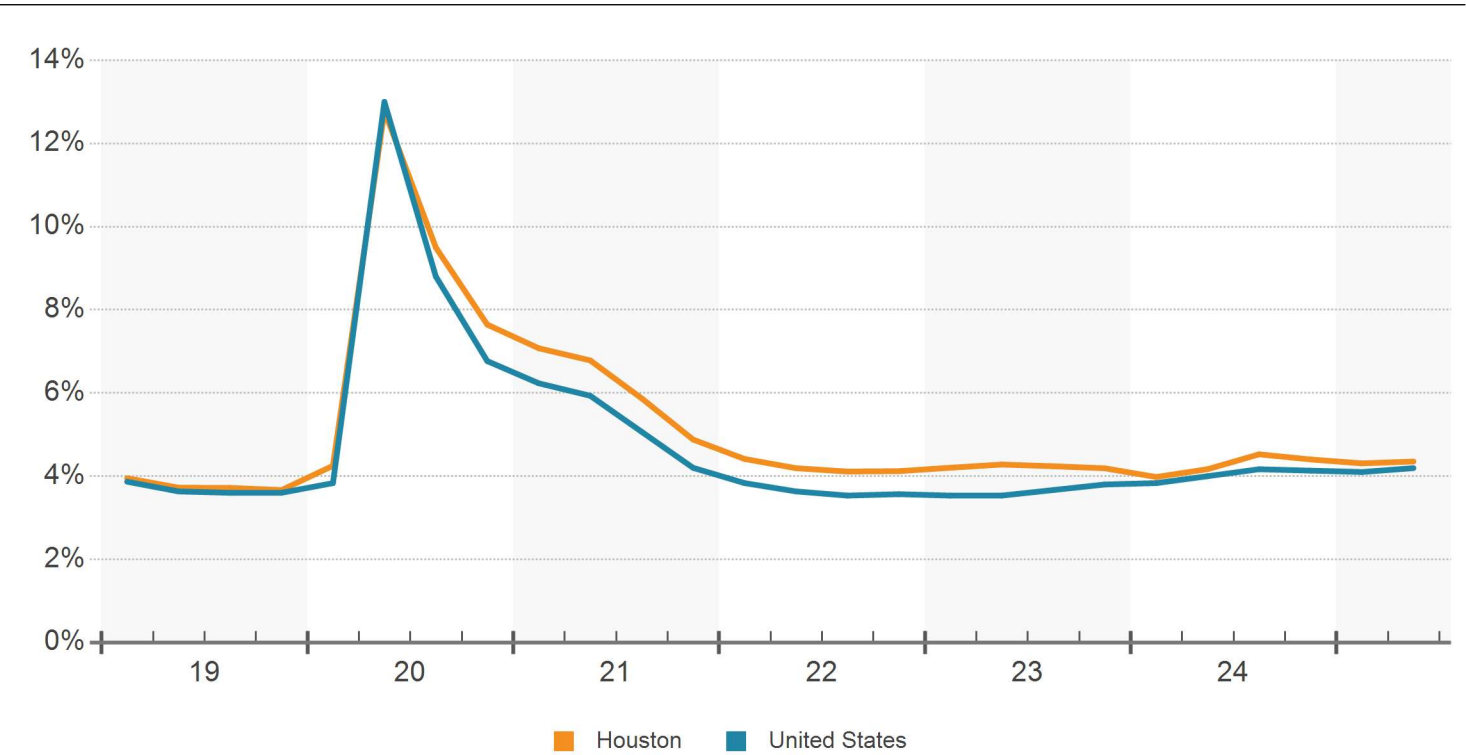
LQ = Location Quotient

JOB GROWTH (YOY)

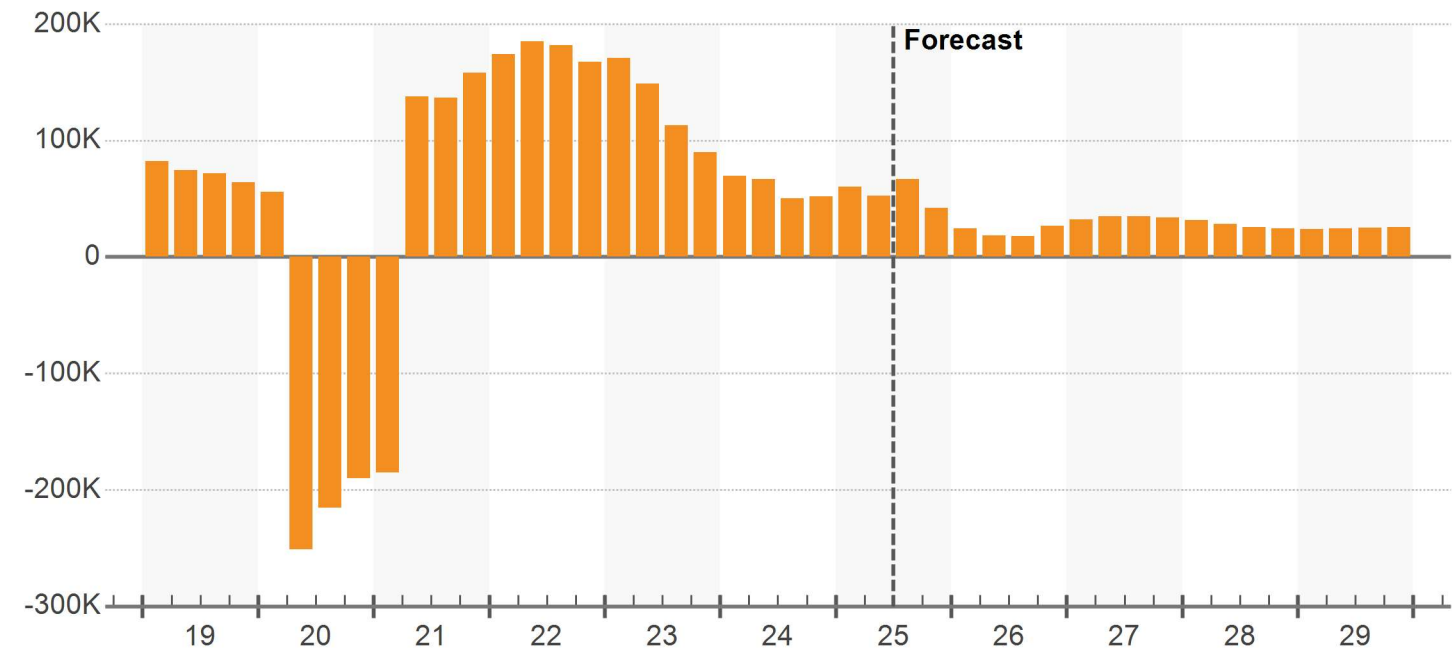


Source: Oxford Economics

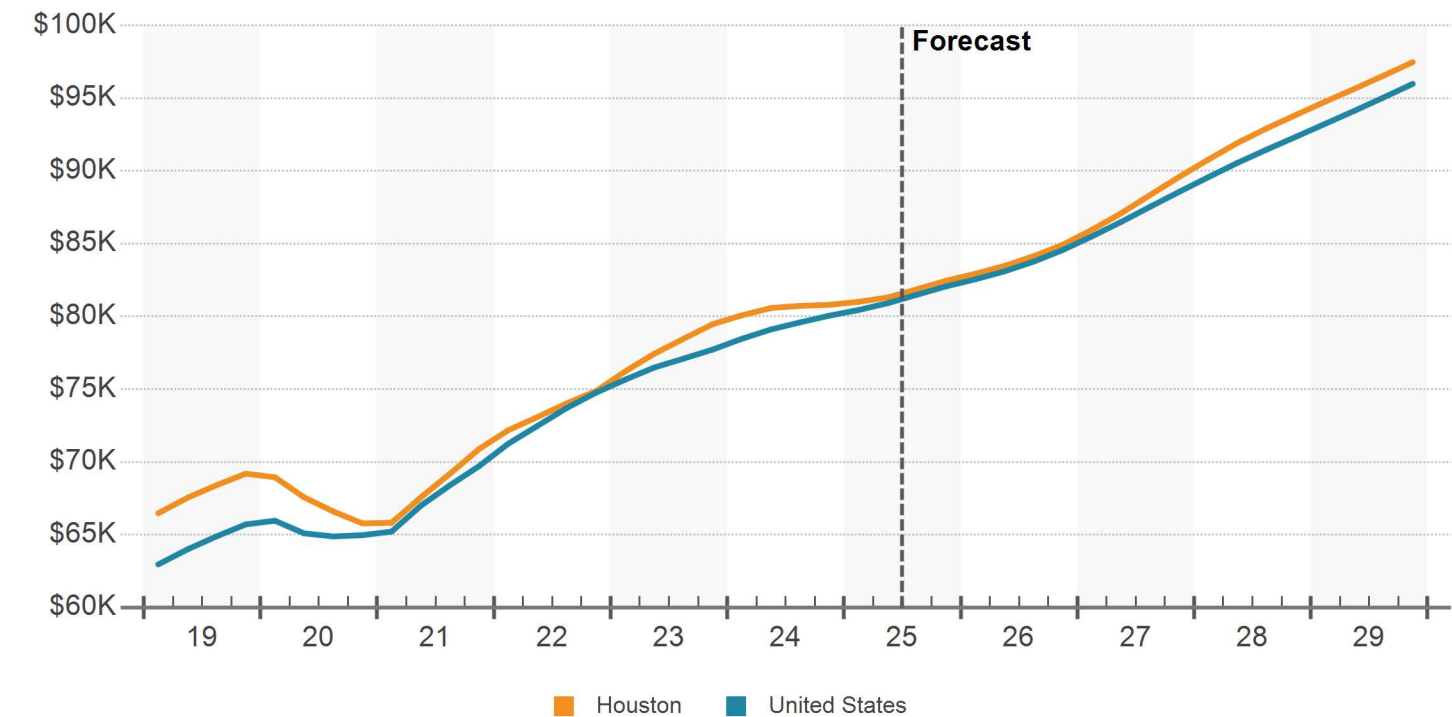
UNEMPLOYMENT RATE (%)



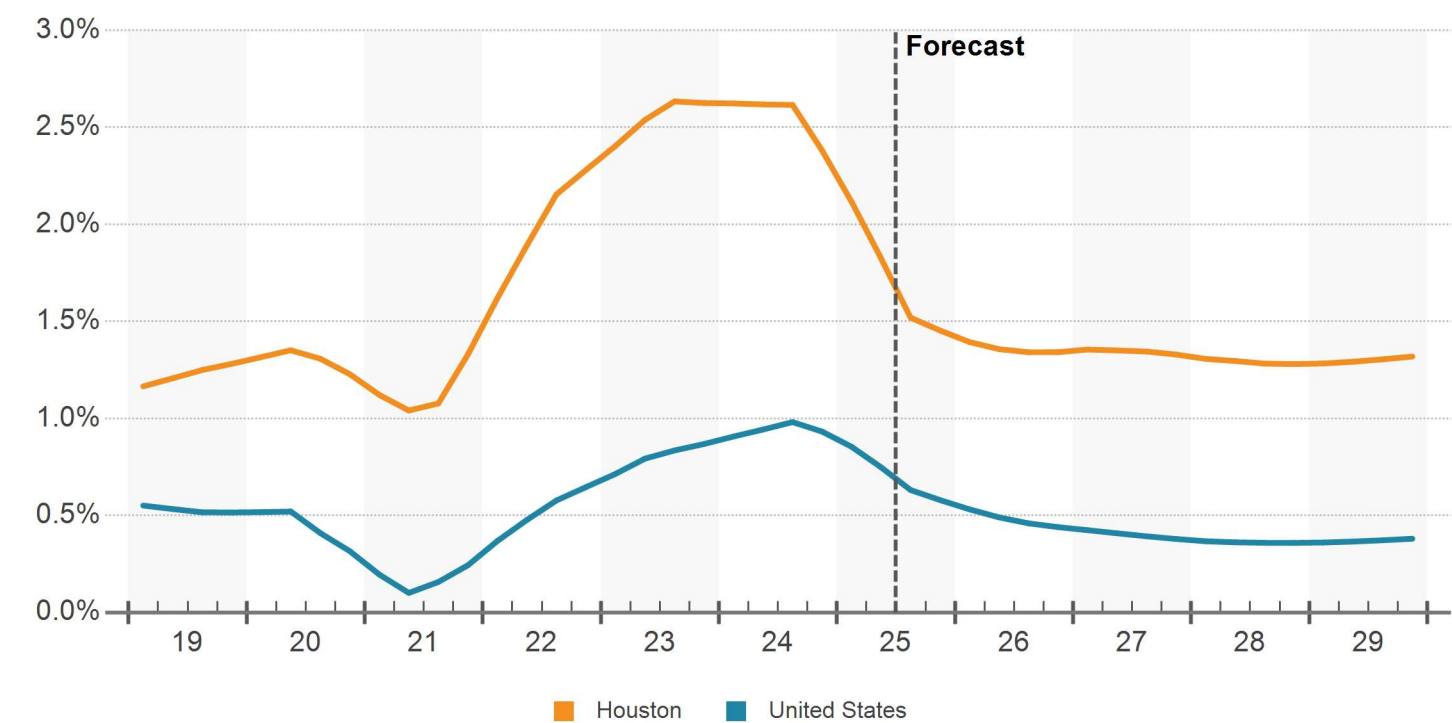
NET EMPLOYMENT CHANGE (YOY)



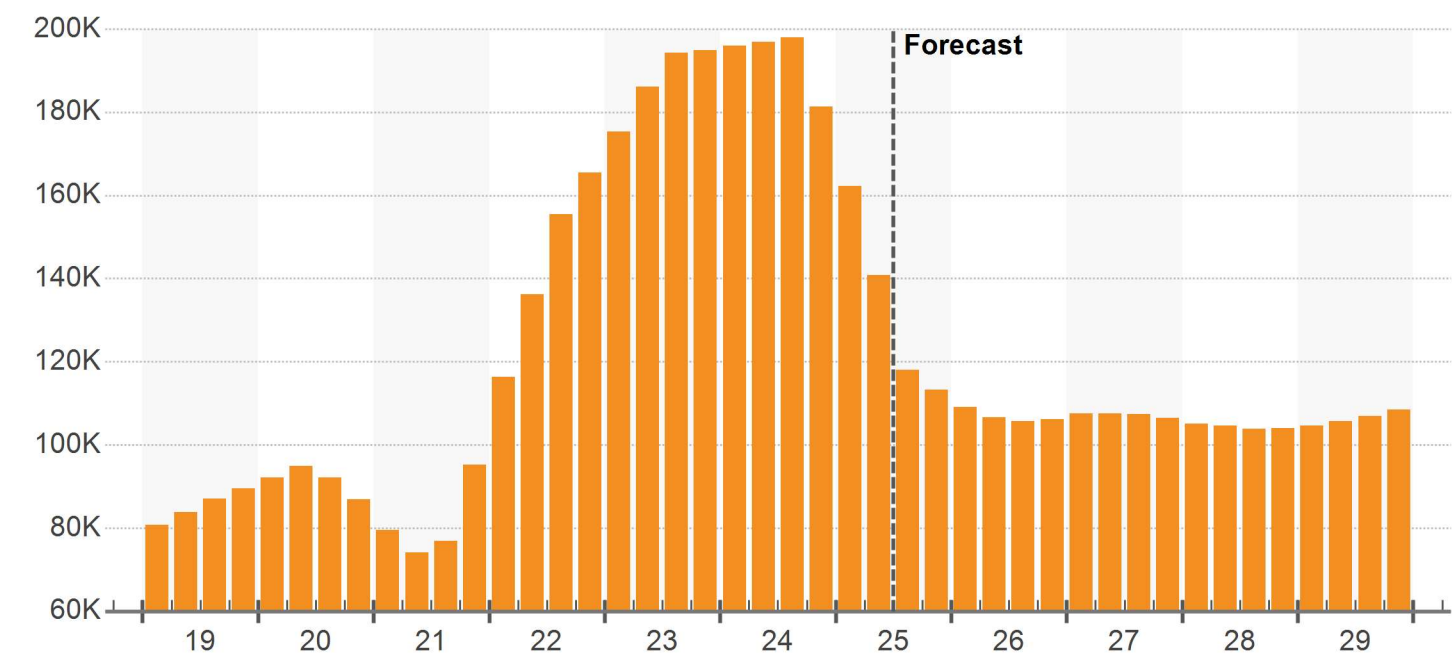
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

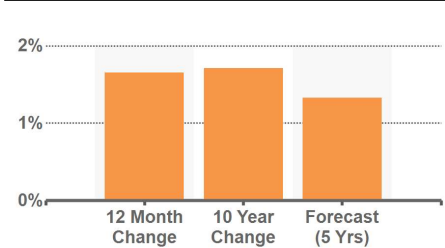


DEMOGRAPHIC TRENDS

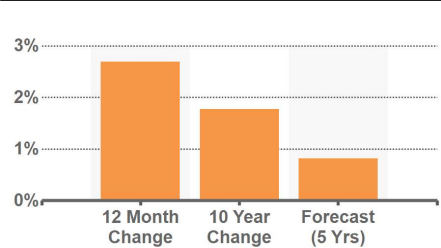
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	7,872,901	342,052,750	1.7%	0.7%	1.7%	0.6%	1.3%	0.4%
Households	2,882,633	134,480,875	1.8%	0.8%	2.2%	1.0%	1.4%	0.5%
Median Household Income	\$81,620	\$81,236	1.2%	2.3%	2.9%	4.0%	4.1%	3.9%
Labor Force	3,866,790	170,814,328	2.7%	1.5%	1.8%	0.8%	0.8%	0.3%
Unemployment	4.4%	4.2%	0%	0.1%	0%	-0.1%	-	-

Source: Oxford Economics

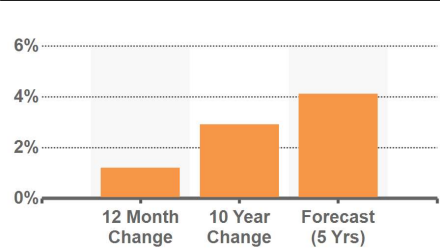
POPULATION GROWTH



LABOR FORCE GROWTH

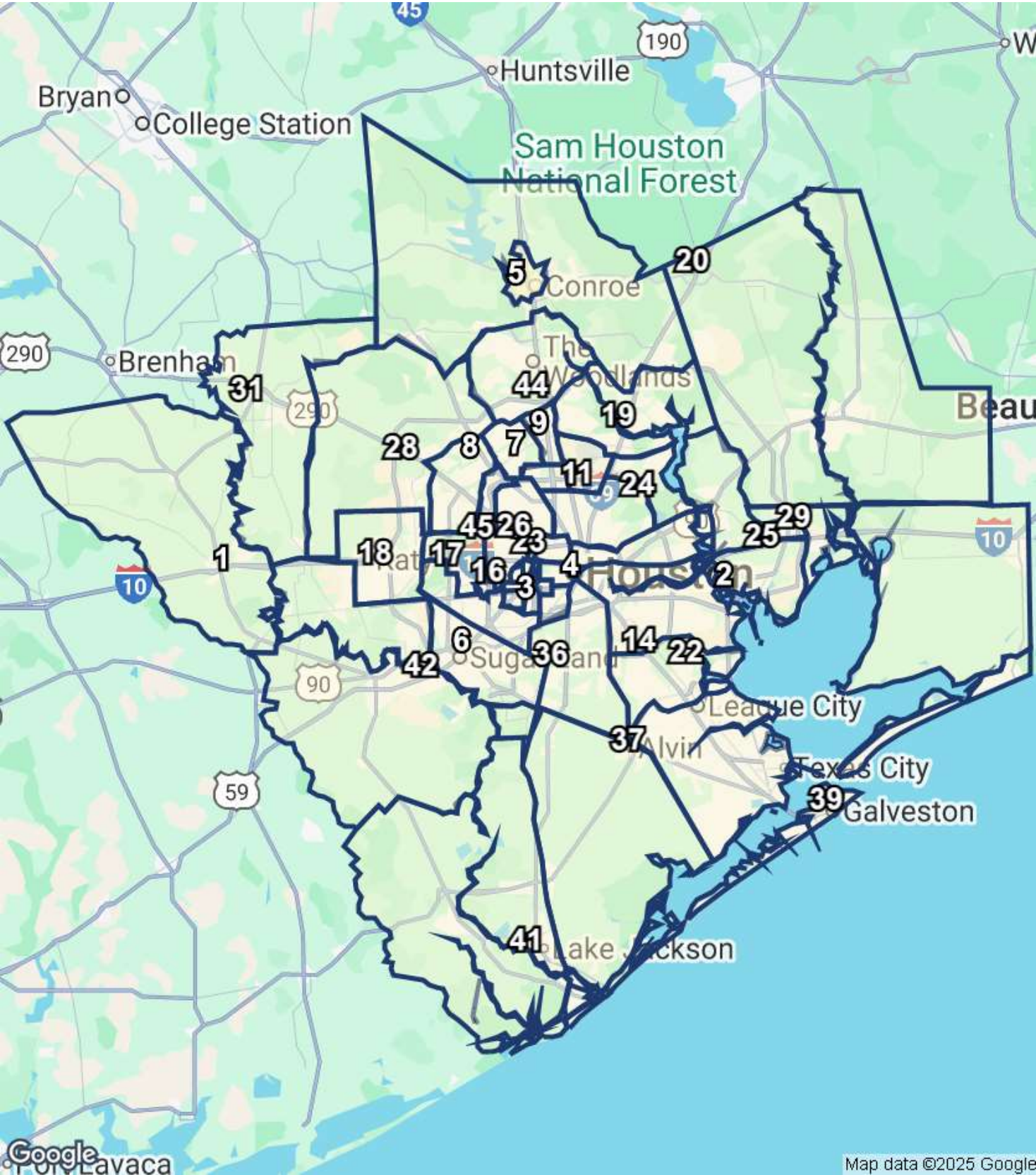


INCOME GROWTH



Source: Oxford Economics

HOUSTON SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Austin County	60	271	0.1%	44	0	0	0%	-	0	0	0%	-
2	Baytown	157	1,834	0.5%	38	1	112	6.1%	7	1	2	0.1%	22
3	Bellaire	97	5,538	1.5%	19	0	0	0%	-	0	0	0%	-
4	CBD	166	54,371	15.2%	1	1	66	0.1%	8	2	40	0.1%	16
5	Conroe	298	3,075	0.9%	29	1	10	0.3%	17	0	0	0%	-
6	E Fort Bend Co/Sugar Land	550	11,409	3.2%	10	16	160	1.4%	6	24	169	1.5%	5
7	FM 1960/Champions	313	4,291	1.2%	26	1	7	0.2%	19	0	0	0%	-
8	FM 1960/Hwy 249	582	11,900	3.3%	9	3	289	2.4%	4	1	120	1.0%	10
9	FM 1960/I-45 North	125	2,404	0.7%	33	0	0	0%	-	0	0	0%	-
10	Galleria/Uptown	64	17,045	4.8%	5	0	0	0%	-	0	0	0%	-
11	Greenspoint/IAH	62	3,067	0.9%	30	0	0	0%	-	0	0	0%	-
12	Greenspoint/N Belt West	111	10,549	3.0%	13	0	0	0%	-	0	0	0%	-
13	Greenway Plaza	269	12,977	3.6%	7	0	0	0%	-	1	146	1.1%	7
14	Gulf Freeway/Pasadena	764	10,037	2.8%	14	4	37	0.4%	9	0	0	0%	-
15	I-10 East	180	1,582	0.4%	40	0	0	0%	-	0	0	0%	-
16	Katy Freeway East	285	12,785	3.6%	8	0	0	0%	-	1	324	2.5%	2
17	Katy Freeway West	286	28,357	7.9%	2	1	3	0%	20	0	0	0%	-
18	Katy/Grand Parkway West	642	7,689	2.2%	16	23	347	4.5%	1	6	71	0.9%	13
19	Kingwood/Humble	299	4,776	1.3%	25	4	26	0.5%	12	7	162	3.4%	6
20	Liberty County	100	430	0.1%	43	0	0	0%	-	0	0	0%	-
21	Midtown	656	11,005	3.1%	12	0	0	0%	-	2	338	3.1%	1
22	NASA/Clear Lake	593	11,260	3.2%	11	4	22	0.2%	14	4	116	1.0%	11
23	North Loop West	446	6,855	1.9%	17	1	3	0%	21	2	126	1.8%	9
24	Northeast Near	174	2,141	0.6%	36	0	0	0%	-	1	3	0.1%	21
25	Northeast Outlier	107	1,083	0.3%	41	5	22	2.0%	15	2	56	5.2%	15
26	Northwest Far	143	5,107	1.4%	22	0	0	0%	-	1	38	0.7%	17
27	Northwest Near	65	1,590	0.4%	39	0	0	0%	-	0	0	0%	-
28	Northwest Outlier	469	3,768	1.1%	28	18	292	7.8%	3	18	250	6.6%	3
29	Outlying Chambers County	37	198	0.1%	45	0	0	0%	-	0	0	0%	-
30	Outlying Montgomery Cnty	307	2,099	0.6%	37	2	8	0.4%	18	2	61	2.9%	14
31	Outlying Waller County	32	144	0%	46	0	0	0%	-	0	0	0%	-
32	Post Oak Park	50	4,948	1.4%	23	0	0	0%	-	0	0	0%	-
33	Richmond/Fountainview	125	2,264	0.6%	34	1	13	0.6%	16	0	0	0%	-
34	Riverway	21	3,053	0.9%	31	0	0	0%	-	0	0	0%	-
35	San Felipe/Voss	48	5,441	1.5%	20	0	0	0%	-	0	0	0%	-
36	South	371	4,058	1.1%	27	6	27	0.7%	11	2	10	0.2%	19
37	South Hwy 35	182	883	0.2%	42	0	0	0%	-	0	0	0%	-
38	South Main/Medical Center	265	13,276	3.7%	6	0	0	0%	-	3	73	0.5%	12
39	Southeast Outlier	433	4,900	1.4%	24	0	0	0%	-	2	34	0.7%	18
40	Southwest Beltway 8	209	7,857	2.2%	15	2	32	0.4%	10	2	128	1.6%	8
41	Southwest Far	117	2,263	0.6%	35	0	0	0%	-	0	0	0%	-
42	Southwest Outlier	328	2,844	0.8%	32	17	320	11.2%	2	16	250	8.8%	4

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	Southwest/Hillcroft	105	5,369	1.5%	21	0	0	0%	-	0	0	0%	-
44	The Woodlands	765	25,512	7.1%	3	6	174	0.7%	5	2	9	0%	20
45	West Belt	128	6,823	1.9%	18	3	22	0.3%	13	0	0	0%	-
46	Westchase	141	18,286	5.1%	4	0	0	0%	-	0	0	0%	-

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Austin County	\$24.10	33	0.8%	23	-0.4%	40
2	Baytown	\$24.30	32	1.0%	11	-0.4%	37
3	Bellaire	\$27.03	18	0.2%	45	-1.0%	46
4	CBD	\$35.95	2	0.8%	22	3.3%	1
5	Conroe	\$25.36	27	0.7%	25	0.2%	22
6	E Fort Bend Co/Sugar Land	\$27.73	12	0.2%	43	0.6%	7
7	FM 1960/Champions	\$19.62	43	0.7%	24	-0.6%	44
8	FM 1960/Hwy 249	\$26.73	21	1.3%	3	0.6%	9
9	FM 1960/I-45 North	\$21.06	40	1.1%	6	0%	28
10	Galleria/Uptown	\$33.29	5	1.2%	5	1.9%	2
11	Greenspoint/IAH	\$19.29	44	0.5%	31	0.5%	13
12	Greenspoint/N Belt West	\$17.97	46	0.3%	38	0.4%	16
13	Greenway Plaza	\$32.10	6	1.4%	1	0.6%	10
14	Gulf Freeway/Pasadena	\$24.37	31	0.4%	34	0%	32
15	I-10 East	\$22.07	37	0.7%	26	-0.6%	45
16	Katy Freeway East	\$36.18	1	1.0%	13	1.2%	5
17	Katy Freeway West	\$29.53	9	0.9%	16	0.5%	11
18	Katy/Grand Parkway West	\$29.48	10	0.4%	35	0.3%	18
19	Kingwood/Humble	\$25.55	25	0.4%	36	0.1%	24
20	Liberty County	\$25.04	29	0.8%	21	-0.5%	43
21	Midtown	\$31.75	7	0.3%	41	0.3%	19
22	NASA/Clear Lake	\$25.35	28	0.2%	44	0.2%	20
23	North Loop West	\$24.57	30	0.8%	19	1.5%	3
24	Northeast Near	\$23.10	36	1.1%	10	-0.1%	34
25	Northeast Outlier	\$26.88	19	1.1%	9	-0.1%	33
26	Northwest Far	\$20.43	41	0.4%	32	0.1%	27
27	Northwest Near	\$21.08	39	0.3%	39	0%	29
28	Northwest Outlier	\$28.92	11	0.8%	20	0.5%	12
29	Outlying Chambers County	\$25.37	26	1.1%	7	-0.4%	39
30	Outlying Montgomery Cnty	\$27.29	15	1.1%	8	-0.3%	36
31	Outlying Waller County	\$23.66	34	0.7%	27	-0.5%	42
32	Post Oak Park	\$33.33	4	0.3%	40	0.6%	8
33	Richmond/Fountainview	\$21.29	38	1.0%	14	-0.4%	38
34	Riverway	\$27.23	17	0%	46	-0.2%	35
35	San Felipe/Voss	\$26.24	23	0.9%	15	0.4%	15
36	South	\$27.39	14	0.6%	30	0.4%	17
37	South Hwy 35	\$23.61	35	0.6%	28	-0.5%	41
38	South Main/Medical Center	\$31.39	8	0.6%	29	0.5%	14
39	Southeast Outlier	\$25.78	24	0.3%	37	0%	31
40	Southwest Beltway 8	\$19.85	42	0.2%	42	0.1%	23
41	Southwest Far	\$26.39	22	1.3%	2	0.1%	25
42	Southwest Outlier	\$27.26	16	1.3%	4	0%	30

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	Southwest/Hillcroft	\$18.84	45	0.4%	33	0.1%	26
44	The Woodlands	\$35.05	3	1.0%	12	1.0%	6
45	West Belt	\$26.83	20	0.8%	17	1.4%	4
46	Westchase	\$27.66	13	0.8%	18	0.2%	21

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Austin County	2,553	0.9%	1	7,147	2.6%	19	-
2	Baytown	223,149	12.2%	20	(186,779)	-10.2%	43	-
3	Bellaire	916,178	16.5%	28	(72,950)	-1.3%	38	-
4	CBD	13,960,959	25.7%	37	(44,477)	-0.1%	36	-
5	Conroe	256,342	8.3%	11	(15,116)	-0.5%	28	-
6	E Fort Bend Co/Sugar Land	2,752,081	24.1%	35	(373,946)	-3.3%	46	-
7	FM 1960/Champions	754,701	17.6%	29	(143,549)	-3.3%	41	-
8	FM 1960/Hwy 249	3,088,385	26.0%	38	405,101	3.4%	1	0.7
9	FM 1960/I-45 North	694,314	28.9%	42	(7,323)	-0.3%	25	-
10	Galleria/Uptown	5,905,357	34.6%	44	9,183	0.1%	17	-
11	Greenspoint/IAH	758,339	24.7%	36	93,271	3.0%	10	-
12	Greenspoint/N Belt West	4,581,103	43.4%	45	(98,062)	-0.9%	39	-
13	Greenway Plaza	2,817,349	21.7%	33	(62,039)	-0.5%	37	-
14	Gulf Freeway/Pasadena	1,303,029	13.0%	24	(146,027)	-1.5%	42	-
15	I-10 East	135,220	8.5%	12	23,267	1.5%	13	-
16	Katy Freeway East	1,055,463	8.3%	10	68,655	0.5%	11	-
17	Katy Freeway West	5,448,174	19.2%	31	332,865	1.2%	3	-
18	Katy/Grand Parkway West	979,793	12.7%	23	154,541	2.0%	8	1.5
19	Kingwood/Humble	439,488	9.2%	13	(27,003)	-0.6%	33	-
20	Liberty County	42,446	9.9%	14	8,498	2.0%	18	-
21	Midtown	1,211,260	11.0%	16	10,566	0.1%	16	-
22	NASA/Clear Lake	1,180,589	10.5%	15	(7,095)	-0.1%	24	-
23	North Loop West	1,058,313	15.4%	27	12,586	0.2%	15	-
24	Northeast Near	151,295	7.1%	8	(22,573)	-1.1%	31	-
25	Northeast Outlier	62,395	5.8%	7	19,654	1.8%	14	1.0
26	Northwest Far	608,953	11.9%	19	(30,657)	-0.6%	34	-
27	Northwest Near	57,362	3.6%	3	(9,580)	-0.6%	27	-
28	Northwest Outlier	460,268	12.2%	22	137,444	3.6%	9	2.0
29	Outlying Chambers County	-	-	-	0	0%	-	-
30	Outlying Montgomery Cnty	255,737	12.2%	21	(7,684)	-0.4%	26	-
31	Outlying Waller County	1,681	1.2%	2	3,579	2.5%	21	-
32	Post Oak Park	1,118,328	22.6%	34	(17,796)	-0.4%	29	-
33	Richmond/Fountainview	256,370	11.3%	17	(24,657)	-1.1%	32	-
34	Riverway	896,954	29.4%	43	(18,564)	-0.6%	30	-
35	San Felipe/Voss	1,429,362	26.3%	39	237,074	4.4%	6	-
36	South	301,875	7.4%	9	47,174	1.2%	12	0.5
37	South Hwy 35	40,393	4.6%	4	(4,065)	-0.5%	23	-
38	South Main/Medical Center	1,732,250	13.0%	25	287,334	2.2%	4	-
39	Southeast Outlier	237,918	4.9%	5	(43,680)	-0.9%	35	-
40	Southwest Beltway 8	1,661,965	21.2%	32	239,626	3.0%	5	0.1
41	Southwest Far	126,478	5.6%	6	6,377	0.3%	20	-
42	Southwest Outlier	435,707	15.3%	26	206,025	7.2%	7	1.5

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
43	Southwest/Hillcroft	1,004,164	18.7%	30	(115,753)	-2.2%	40	-
44	The Woodlands	3,023,767	11.9%	18	389,371	1.5%	2	0.4
45	West Belt	1,859,284	27.3%	41	(187,419)	-2.7%	44	-
46	Westchase	4,979,044	27.2%	40	(252,031)	-1.4%	45	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	366,159,790	2,931,483	0.8%	2,739,220	0.7%	1.1
2028	363,228,307	2,360,878	0.7%	2,619,227	0.7%	0.9
2027	360,867,429	1,695,663	0.5%	2,489,378	0.7%	0.7
2026	359,171,766	1,329,384	0.4%	1,474,489	0.4%	0.9
2025	357,842,382	1,498,568	0.4%	1,383,321	0.4%	1.1
YTD	357,416,717	1,072,903	0.3%	1,275,551	0.4%	0.8
2024	356,343,814	1,492,458	0.4%	(809,322)	-0.2%	-
2023	354,851,356	3,294,620	0.9%	1,730,663	0.5%	1.9
2022	351,556,736	1,346,804	0.4%	(1,618,672)	-0.5%	-
2021	350,209,932	3,523,423	1.0%	(82,164)	0%	-
2020	346,686,509	3,097,082	0.9%	(2,190,304)	-0.6%	-
2019	343,589,427	2,149,837	0.6%	695,907	0.2%	3.1
2018	341,439,590	1,707,235	0.5%	339,527	0.1%	5.0
2017	339,732,355	3,320,342	1.0%	(1,927,441)	-0.6%	-
2016	336,412,013	4,793,828	1.4%	(386,509)	-0.1%	-
2015	331,618,185	12,830,888	4.0%	4,856,264	1.5%	2.6
2014	318,787,297	9,286,004	3.0%	10,347,048	3.2%	0.9
2013	309,501,293	5,357,510	1.8%	4,184,387	1.4%	1.3

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	156,839,333	3,606,574	2.4%	3,156,583	2.0%	1.1
2028	153,232,759	3,042,004	2.0%	2,800,902	1.8%	1.1
2027	150,190,755	2,346,539	1.6%	2,526,441	1.7%	0.9
2026	147,844,216	1,316,359	0.9%	2,201,036	1.5%	0.6
2025	146,527,857	1,572,111	1.1%	2,224,908	1.5%	0.7
YTD	145,915,712	959,966	0.7%	1,628,892	1.1%	0.6
2024	144,955,746	982,287	0.7%	(87,588)	-0.1%	-
2023	143,973,459	2,114,185	1.5%	1,963,283	1.4%	1.1
2022	141,859,274	667,502	0.5%	(1,064,987)	-0.8%	-
2021	141,191,772	2,699,349	1.9%	(1,530,817)	-1.1%	-
2020	138,492,423	1,272,944	0.9%	(2,233,746)	-1.6%	-
2019	137,219,479	1,719,507	1.3%	2,118,037	1.5%	0.8
2018	135,499,972	1,197,373	0.9%	1,284,787	0.9%	0.9
2017	134,302,599	2,946,037	2.2%	(351,551)	-0.3%	-
2016	131,356,562	4,864,656	3.8%	275,796	0.2%	17.6
2015	126,491,906	10,941,340	9.5%	5,101,593	4.0%	2.1
2014	115,550,566	8,440,634	7.9%	7,854,383	6.8%	1.1
2013	107,109,932	3,836,667	3.7%	2,928,306	2.7%	1.3

Supply & Demand Trends

Houston Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	164,720,640	65,690	0%	264,178	0.2%	0.2
2028	164,654,950	55,407	0%	480,057	0.3%	0.1
2027	164,599,543	78,912	0%	606,984	0.4%	0.1
2026	164,520,631	711,461	0.4%	88,540	0.1%	8.0
2025	163,809,170	222,590	0.1%	(380,379)	-0.2%	-
YTD	163,729,171	142,591	0.1%	(160,893)	-0.1%	-
2024	163,586,580	680,767	0.4%	(532,536)	-0.3%	-
2023	162,905,813	1,171,707	0.7%	(254,155)	-0.2%	-
2022	161,734,106	698,850	0.4%	(427,416)	-0.3%	-
2021	161,035,256	865,452	0.5%	960,576	0.6%	0.9
2020	160,169,804	1,930,799	1.2%	499,067	0.3%	3.9
2019	158,239,005	501,429	0.3%	(1,082,040)	-0.7%	-
2018	157,737,576	635,450	0.4%	(1,007,584)	-0.6%	-
2017	157,102,126	785,379	0.5%	(1,193,089)	-0.8%	-
2016	156,316,747	206,830	0.1%	(554,909)	-0.4%	-
2015	156,109,917	2,088,182	1.4%	(793,382)	-0.5%	-
2014	154,021,735	963,123	0.6%	2,056,620	1.3%	0.5
2013	153,058,612	1,691,722	1.1%	1,618,631	1.1%	1.0

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	44,599,817	(740,781)	-1.6%	(681,541)	-1.5%	-
2028	45,340,598	(736,533)	-1.6%	(661,732)	-1.5%	-
2027	46,077,131	(729,788)	-1.6%	(644,047)	-1.4%	-
2026	46,806,919	(698,436)	-1.5%	(815,087)	-1.7%	-
2025	47,505,355	(296,133)	-0.6%	(461,208)	-1.0%	-
YTD	47,771,834	(29,654)	-0.1%	(192,448)	-0.4%	-
2024	47,801,488	(170,596)	-0.4%	(189,198)	-0.4%	-
2023	47,972,084	8,728	0%	21,535	0%	0.4
2022	47,963,356	(19,548)	0%	(126,269)	-0.3%	-
2021	47,982,904	(41,378)	-0.1%	488,077	1.0%	-
2020	48,024,282	(106,661)	-0.2%	(455,625)	-0.9%	-
2019	48,130,943	(71,099)	-0.1%	(340,090)	-0.7%	-
2018	48,202,042	(125,588)	-0.3%	62,324	0.1%	-
2017	48,327,630	(411,074)	-0.8%	(382,801)	-0.8%	-
2016	48,738,704	(277,658)	-0.6%	(107,396)	-0.2%	-
2015	49,016,362	(198,634)	-0.4%	548,053	1.1%	-
2014	49,214,996	(117,753)	-0.2%	436,045	0.9%	-
2013	49,332,749	(170,879)	-0.3%	(362,550)	-0.7%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$32.95	128	3.4%	13.2%	69,143,227	18.9%	-0.1%
2028	\$31.87	124	3.4%	9.5%	68,946,732	19.0%	-0.2%
2027	\$30.83	120	2.7%	5.9%	69,201,309	19.2%	-0.3%
2026	\$30.01	117	2.0%	3.1%	69,990,904	19.5%	-0.1%
2025	\$29.41	114	1.0%	1.0%	70,123,942	19.6%	-0.2%
YTD	\$29.26	114	0.8%	0.5%	70,266,135	19.7%	-0.1%
2024	\$29.11	113	1.5%	0%	70,413,811	19.8%	0.6%
2023	\$28.68	112	2.3%	-1.5%	68,098,231	19.2%	0.3%
2022	\$28.04	109	1.5%	-3.7%	66,516,274	18.9%	0.8%
2021	\$27.62	107	0.6%	-5.1%	63,551,998	18.1%	0.9%
2020	\$27.47	107	-1.4%	-5.7%	59,947,941	17.3%	1.4%
2019	\$27.86	108	2.7%	-4.3%	54,656,955	15.9%	0.3%
2018	\$27.14	106	0.3%	-6.8%	53,188,350	15.6%	0.3%
2017	\$27.06	105	-0.5%	-7.1%	51,868,488	15.3%	1.4%
2016	\$27.20	106	-3.1%	-6.6%	46,712,513	13.9%	1.4%
2015	\$28.07	109	-1.5%	-3.6%	41,535,464	12.5%	2.0%
2014	\$28.51	111	4.7%	-2.1%	33,530,164	10.5%	-0.7%
2013	\$27.22	106	7.0%	-6.5%	34,591,208	11.2%	0.2%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$40.32	121	3.2%	8.3%	35,519,132	22.6%	-0.2%
2028	\$39.08	117	3.2%	4.9%	35,070,231	22.9%	-0.3%
2027	\$37.87	113	2.6%	1.7%	34,830,184	23.2%	-0.5%
2026	\$36.93	110	1.8%	-0.8%	35,011,112	23.7%	-0.8%
2025	\$36.26	108	1.5%	-2.6%	35,896,557	24.5%	-0.7%
YTD	\$36.08	108	1.2%	-3.1%	35,880,413	24.6%	-0.6%
2024	\$35.72	107	1.5%	-4.1%	36,494,367	25.2%	0.6%
2023	\$35.18	105	2.1%	-5.5%	35,410,692	24.6%	-0.2%
2022	\$34.46	103	1.5%	-7.5%	35,241,790	24.8%	1.1%
2021	\$33.93	101	-1.0%	-8.9%	33,509,301	23.7%	2.6%
2020	\$34.29	103	-2.2%	-7.9%	29,279,135	21.1%	2.4%
2019	\$35.05	105	4.5%	-5.9%	25,772,445	18.8%	-0.5%
2018	\$33.52	100	-0.3%	-10.0%	26,150,575	19.3%	-0.3%
2017	\$33.64	101	-1.2%	-9.7%	26,255,334	19.5%	2.0%
2016	\$34.04	102	-5.0%	-8.6%	23,042,746	17.5%	3.0%
2015	\$35.84	107	-3.7%	-3.7%	18,453,886	14.6%	3.7%
2014	\$37.24	111	4.2%	0%	12,588,838	10.9%	-0.3%
2013	\$35.73	107	8.3%	-4.1%	12,002,587	11.2%	0.5%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$28.13	135	3.6%	13.6%	29,421,019	17.9%	-0.1%
2028	\$27.16	131	3.6%	9.7%	29,620,131	18.0%	-0.3%
2027	\$26.22	126	2.9%	5.9%	30,045,403	18.3%	-0.3%
2026	\$25.47	123	2.2%	2.8%	30,574,084	18.6%	0.3%
2025	\$24.92	120	0.6%	0.6%	29,951,481	18.3%	0.1%
YTD	\$24.79	119	0.3%	0.1%	30,116,934	18.4%	0.2%
2024	\$24.77	119	1.3%	0%	29,813,450	18.2%	0.7%
2023	\$24.46	118	2.1%	-1.3%	28,600,147	17.6%	0.8%
2022	\$23.95	115	1.3%	-3.3%	27,174,285	16.8%	0.6%
2021	\$23.64	114	2.5%	-4.6%	26,049,219	16.2%	-0.1%
2020	\$23.07	111	-1.0%	-6.9%	26,145,873	16.3%	0.7%
2019	\$23.30	112	0.7%	-6.0%	24,710,541	15.6%	1.0%
2018	\$23.13	111	0.6%	-6.6%	23,132,797	14.7%	1.0%
2017	\$23	111	0.4%	-7.1%	21,520,264	13.7%	1.2%
2016	\$22.91	110	-1.7%	-7.5%	19,547,391	12.5%	0.5%
2015	\$23.31	112	0.6%	-5.9%	18,787,971	12.0%	1.7%
2014	\$23.18	112	5.1%	-6.4%	15,902,635	10.3%	-0.8%
2013	\$22.05	106	5.5%	-11.0%	16,996,132	11.1%	-0.1%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$26.77	141	3.5%	13.1%	4,203,076	9.4%	0%
2028	\$25.85	136	3.6%	9.3%	4,256,370	9.4%	0%
2027	\$24.96	132	2.9%	5.5%	4,325,722	9.4%	0%
2026	\$24.25	128	2.3%	2.5%	4,405,708	9.4%	0.4%
2025	\$23.71	125	0.2%	0.2%	4,275,904	9.0%	0.4%
YTD	\$23.60	124	0.3%	-0.3%	4,268,788	8.9%	0.3%
2024	\$23.66	125	2.1%	0%	4,105,994	8.6%	0.1%
2023	\$23.17	122	4.0%	-2.1%	4,087,392	8.5%	0%
2022	\$22.28	117	2.0%	-5.8%	4,100,199	8.5%	0.2%
2021	\$21.85	115	1.4%	-7.7%	3,993,478	8.3%	-1.1%
2020	\$21.55	114	0.6%	-8.9%	4,522,933	9.4%	0.7%
2019	\$21.42	113	0.8%	-9.5%	4,173,969	8.7%	0.6%
2018	\$21.24	112	2.7%	-10.2%	3,904,978	8.1%	-0.4%
2017	\$20.68	109	-0.8%	-12.6%	4,092,890	8.5%	0%
2016	\$20.85	110	1.7%	-11.9%	4,122,376	8.5%	-0.3%
2015	\$20.50	108	2.9%	-13.4%	4,293,607	8.8%	-1.5%
2014	\$19.92	105	6.0%	-15.8%	5,038,691	10.2%	-1.1%
2013	\$18.79	99	5.5%	-20.6%	5,592,489	11.3%	0.4%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$218.56	151	9.7%
2028	-	-	-	-	-	-	\$207.58	143	9.8%
2027	-	-	-	-	-	-	\$195.67	135	10.0%
2026	-	-	-	-	-	-	\$188.48	130	10.1%
2025	-	-	-	-	-	-	\$184.31	127	10.1%
YTD	522	\$414.3M	5.2%	\$4,654,702	\$81.80	7.2%	\$184.91	128	10.0%
2024	754	\$447.4M	4.6%	\$2,161,163	\$91.74	7.8%	\$188.96	131	9.8%
2023	710	\$683.9M	4.5%	\$3,820,899	\$113.85	7.9%	\$196.35	136	9.5%
2022	977	\$1.2B	7.5%	\$6,117,505	\$214.71	6.8%	\$216.89	150	8.6%
2021	944	\$1.3B	5.6%	\$5,305,482	\$155.51	7.4%	\$221.69	153	7.9%
2020	647	\$808.9M	2.9%	\$4,730,125	\$182.30	7.4%	\$218.96	151	8.0%
2019	743	\$3.3B	7.0%	\$13,670,065	\$194.86	8.0%	\$216.51	150	8.1%
2018	633	\$1.8B	5.3%	\$8,479,772	\$171.08	7.4%	\$216.56	150	7.9%
2017	577	\$3.2B	7.7%	\$20,139,293	\$210.99	7.7%	\$216.76	150	7.5%
2016	553	\$585.4M	4.2%	\$5,046,831	\$172.22	7.6%	\$228.68	158	7.1%
2015	584	\$2.8B	7.2%	\$17,382,973	\$222.59	7.6%	\$234.23	162	6.8%
2014	588	\$2.5B	6.2%	\$14,374,189	\$190.13	8.1%	\$226.96	157	6.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$280.39	148	9.3%
2028	-	-	-	-	-	-	\$266.61	141	9.4%
2027	-	-	-	-	-	-	\$251.53	133	9.6%
2026	-	-	-	-	-	-	\$242.60	128	9.7%
2025	-	-	-	-	-	-	\$237.60	126	9.7%
YTD	43	\$193.7M	6.4%	\$27,664,286	\$70.65	-	\$238.44	126	9.6%
2024	37	\$169.2M	3.7%	\$28,191,971	\$129.35	11.7%	\$244.25	129	9.4%
2023	25	\$442.5M	5.4%	\$49,171,924	\$115.05	-	\$254.28	135	9.0%
2022	44	\$608.5M	5.3%	\$46,811,210	\$230.79	5.1%	\$280.02	148	8.2%
2021	27	\$697.9M	4.6%	\$49,851,250	\$204.85	6.8%	\$287.38	152	7.6%
2020	15	\$457.7M	2.3%	\$50,852,952	\$218.29	6.7%	\$288.44	153	7.6%
2019	32	\$2.5B	8.2%	\$99,363,750	\$247.53	6.7%	\$286.64	152	7.6%
2018	25	\$1.2B	4.6%	\$59,692,456	\$221.76	6.9%	\$290.79	154	7.4%
2017	50	\$2.4B	11.3%	\$83,879,531	\$229.45	7.1%	\$288.39	153	7.1%
2016	13	\$353.5M	3.5%	\$88,371,447	\$298.24	6.8%	\$306.03	162	6.6%
2015	41	\$1.8B	8.1%	\$68,388,721	\$293.49	6.4%	\$314.64	167	6.3%
2014	32	\$1.7B	6.6%	\$69,361,958	\$257.31	7.2%	\$303.50	161	6.3%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$183.53	155	9.8%
2028	-	-	-	-	-	-	\$174.05	147	9.9%
2027	-	-	-	-	-	-	\$163.83	138	10.1%
2026	-	-	-	-	-	-	\$157.57	133	10.2%
2025	-	-	-	-	-	-	\$153.81	130	10.2%
YTD	316	\$199.3M	4.8%	\$3,266,616	\$90.41	7.0%	\$154.28	130	10.2%
2024	485	\$236.4M	6.0%	\$1,664,593	\$71.31	7.6%	\$157.63	133	9.9%
2023	359	\$182M	3.7%	\$1,670,173	\$109.63	7.2%	\$163.51	138	9.6%
2022	549	\$539.5M	9.6%	\$4,247,940	\$209.71	6.7%	\$181.41	153	8.6%
2021	534	\$530.6M	6.3%	\$3,585,425	\$121.90	7.6%	\$183.73	155	8.0%
2020	304	\$298.2M	3.1%	\$3,011,661	\$158.80	7.1%	\$178.34	150	8.2%
2019	383	\$752.3M	6.6%	\$4,853,655	\$118.97	8.0%	\$175.02	148	8.3%
2018	315	\$597.1M	6.0%	\$4,628,832	\$123	7.2%	\$171.71	145	8.1%
2017	248	\$707.6M	5.5%	\$9,693,804	\$170.79	7.1%	\$173.07	146	7.8%
2016	268	\$200.9M	4.8%	\$2,911,058	\$105.75	7.6%	\$181.45	153	7.3%
2015	256	\$864.4M	6.7%	\$11,680,910	\$156.19	7.9%	\$185.06	156	7.1%
2014	231	\$799.9M	6.0%	\$9,874,859	\$128.31	8.6%	\$180.26	152	7.0%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$148.01	150	10.6%
2028	-	-	-	-	-	-	\$140.59	142	10.7%
2027	-	-	-	-	-	-	\$132.62	134	10.9%
2026	-	-	-	-	-	-	\$127.64	129	11.0%
2025	-	-	-	-	-	-	\$124.59	126	11.0%
YTD	163	\$21.4M	2.8%	\$1,016,901	\$178.88	7.9%	\$124.93	126	11.0%
2024	232	\$41.8M	2.6%	\$709,097	\$164.66	7.9%	\$125.95	127	10.8%
2023	326	\$59.3M	4.6%	\$972,865	\$118.58	8.5%	\$130.41	132	10.4%
2022	384	\$63.2M	6.9%	\$1,090,203	\$146.35	7.0%	\$143.92	146	9.5%
2021	383	\$66M	5.9%	\$804,599	\$116.89	7.1%	\$149.34	151	8.7%
2020	328	\$53M	4.2%	\$841,593	\$114.60	7.9%	\$144.06	146	8.8%
2019	328	\$71.7M	4.9%	\$1,157,188	\$116.12	8.7%	\$142.62	144	8.9%
2018	293	\$49.1M	4.8%	\$722,679	\$94.99	8.4%	\$141.55	143	8.7%
2017	279	\$62M	4.5%	\$1,087,604	\$143.43	8.8%	\$145.76	148	8.2%
2016	272	\$31.1M	4.4%	\$722,874	\$98.77	7.9%	\$152.19	154	7.7%
2015	287	\$87.8M	6.1%	\$1,462,932	\$117.45	8.0%	\$154.95	157	7.5%
2014	325	\$50.9M	5.6%	\$727,606	\$96.59	7.9%	\$151.15	153	7.4%

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