Office Market Report

Houston - TX USA

PREPARED BY

AIM HIGH REALTY

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CoStar™

OFFICE MARKET REPORT

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
2.4M	2.7M	19.7%	0.8%

Houston's office market is showing signs of stabilization entering 2026, supported by a slowdown in pandemic-era move-outs and limited new supply pressure. Net absorption has remained positive for four straight quarters, the longest such stretch since 2015, driven by continued flight-to-quality and owner-user acquisitions of highly vacant buildings. As such, vacancy has improved from 20.2% a year ago to 19.7% today.

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 neighborhoods, are leading the region's absorption. Tenants in the CBD, meanwhile, are vacating more space than they lease.

Leasing volume in 2025, however, fell to its lowest point since 2009. Large, high-quality blocks of space have become scarce, and average deal sizes remain 15–20% smaller than before the pandemic. With fewer top-tier options available, more large occupiers are choosing to renew, leaving smaller tenants to compete for the limited premium inventory that remains.

Diminishing availability is partly due to a significant slowdown in new supply. Although deliveries ticked up modestly in 2025, most of the new space consisted of major hospital projects or small build-to-suits in high-growth suburbs. Construction starts are at record lows as both equity partners and lenders remain reluctant to finance speculative office projects.

With supply growth muted, the stock of high-end expansion options is now concentrated in a limited set of existing trophy assets in Houston's most desirable submarkets. These top-tier buildings continue to benefit from strong demand and rising rents, while non-premium properties struggle to compete. Roughly half of Houston's office stock was built in the 1970's and 1980's.

Despite record-setting asking rents at the upper end of the market, overall rent growth was just 0.8% over the past year, trailing inflation.

Some owners are reinvesting in renovations and pre-built spec suites in an effort to reposition their properties. Those in well-located submarkets have seen some success attracting tenants from older or less competitive areas, underscoring the uneven nature of the recovery.

Like national trends, a growing performance divide between premium and non-premium buildings has become the defining feature of Houston's office market. Some obsolete buildings are being demolished or repurposed for uses like infill industrial or residential. As the supply of Class A options continues to shrink, tenant representatives expect more occupiers to begin backfilling second- and third-generation spaces.

The risks to the outlook are balanced. Job growth is slowing, and if the broader economy weakens, some occupiers may shift back toward cost-cutting strategies. Long term, advances in generative AI could reshape the labor market in ways that curb demand for traditional office-using roles.

Overview

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	145,167,984	24.8%	$36.21	25.5%	459,032	504,382	716,864
3 Star	162,562,033	18.2%	$25.72	17.3%	237,081	63,738	589,560
1 & 2 Star	47,446,216	9.2%	$23.29	9.7%	(85,078)	0	15,950
Market	**355,176,233**	**19.7%**	**$29.69**	**19.6%**	**611,035**	**568,120**	**1,322,374**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-0.4% (YOY)	13.9%	19.2%	20.2%	2025 Q1	8.5%	1999 Q1
Net Absorption SF	2.7M	2,307,578	991,571	10,802,055	2014 Q2	(3,591,136)	2017 Q3
Deliveries SF	2.4M	4,782,902	1,176,045	13,317,363	2015 Q2	1,066,868	2010 Q4
Market Asking Rent Growth	0.8%	1.6%	3.0%	13.7%	2007 Q4	-5.1%	2010 Q2
Sales Volume	$897M	$1.6B	N/A	$4.9B	2013 Q3	$258M	2009 Q4

Excluding renewals, Houston office tenants signed roughly 13 million SF of new leases in 2025, the lowest annual total since 2005. Adding CoStar's nowcast, which anticipates another 1.5 million SF, brings the figure to 14.5 million SF, a 16-year low rather than a 20-year low. For context, annual leasing averaged roughly 20 million SF from 2015 to 2019.

Brokers attribute the slowdown to a cooling job market, hesitation among large occupiers to commit to long-term leases, and a shortage of available Class A space. Only one new lease of 100,000 SF or more was signed last year, among the lowest tallies on record. That deal occurred in March 2025, when Westlake Corp. leased 126,000 SF at the Regus Capital One Building in the Galleria-Uptown area. The 20-story property, originally built in 1979, underwent a major renovation in 2013. The average lease size in 2025 was just 3,000 square feet, roughly 25% below the 2015−2019 average as tenants continue to prioritize efficiency.

Despite weaker leasing, Houston remains healthier than many major markets. Available space has fallen to 70.0 million SF, a five-year low, due in part to owner-users removing large blocks from inventory. Harmony Public Schools backfilled 170,000 SF in the Energy Corridor, and Chevron consolidated into a 360,000-SF building in The Woodlands. Meanwhile, the wave of large office consolidations that followed the pandemic has largely subsided.

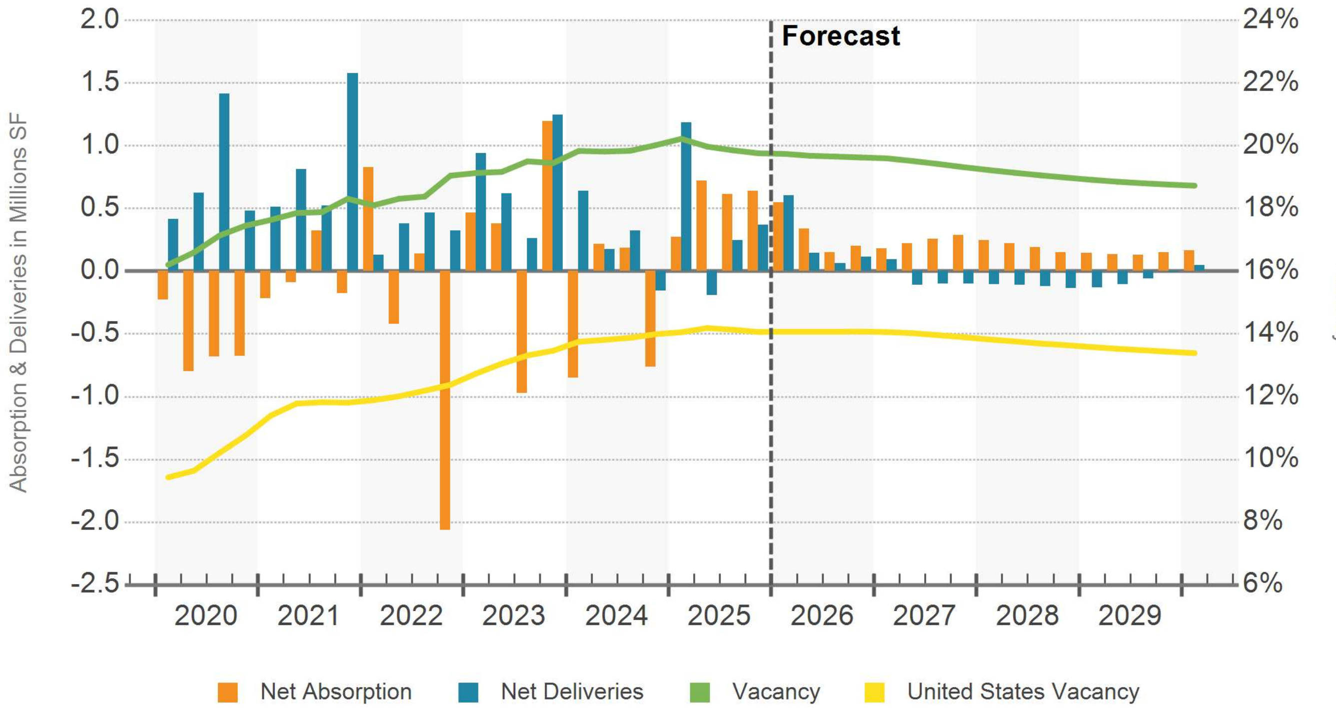
Demand is strongest in walkable, amenity-rich districts with newer product. Katy Freeway East continues to outperform, with an 11% vacancy rate, about half the Houston average, and the lowest among the city's largest submarkets. The area has transformed into a vibrant mixed-use district, anchored by developments like CityCentre and Memorial City, whose walkability and amenities consistently draw tenants. Buildings within two miles of CityCentre are 94% leased. Almost 25% of the Katy Freeway East office inventory was built within the last decade. Submarkets like Katy/Grand Parkway West and The Woodlands also outperform, supported by affluent, fast-growing populations.

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

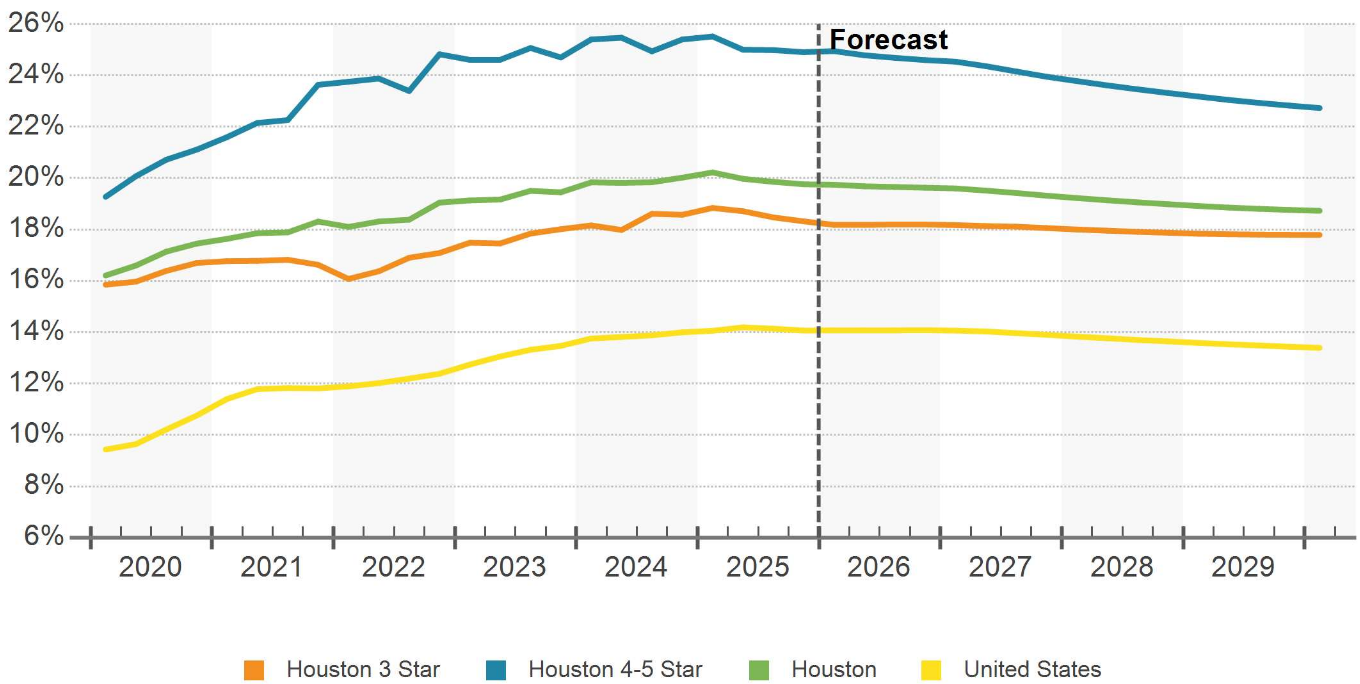
Building quality is driving the market. Even in highly desired areas like the Galleria/Uptown, the vacancy rate remains high, 34%, though the figure masks property-level variations. For example, the 500,000-SF building on 1300 Post Oak Blvd, which is part of Four Oaks Place, is 97% leased. The 25-story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

Mirroring national trends, Houston's office-using job growth has slowed for three consecutive years. Oxford Economics expects knowledge-sector growth to outpace the U.S. but remain only half the pace of 2015−2019. When paired with reduced space requirements per employee and elevated macroeconomic uncertainty, this points to prolonged softness in office demand and vacancy levels hovering around 19% for the foreseeable future.

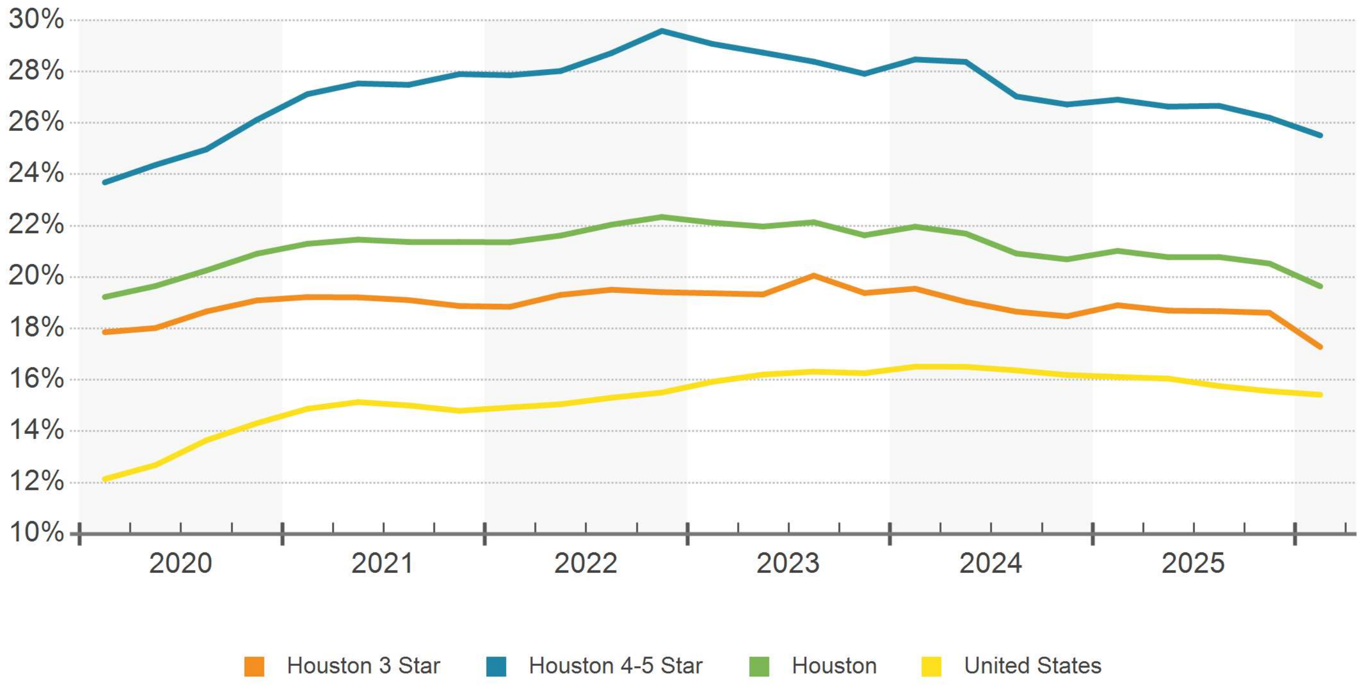
NET ABSORPTION, NET DELIVERIES & VACANCY



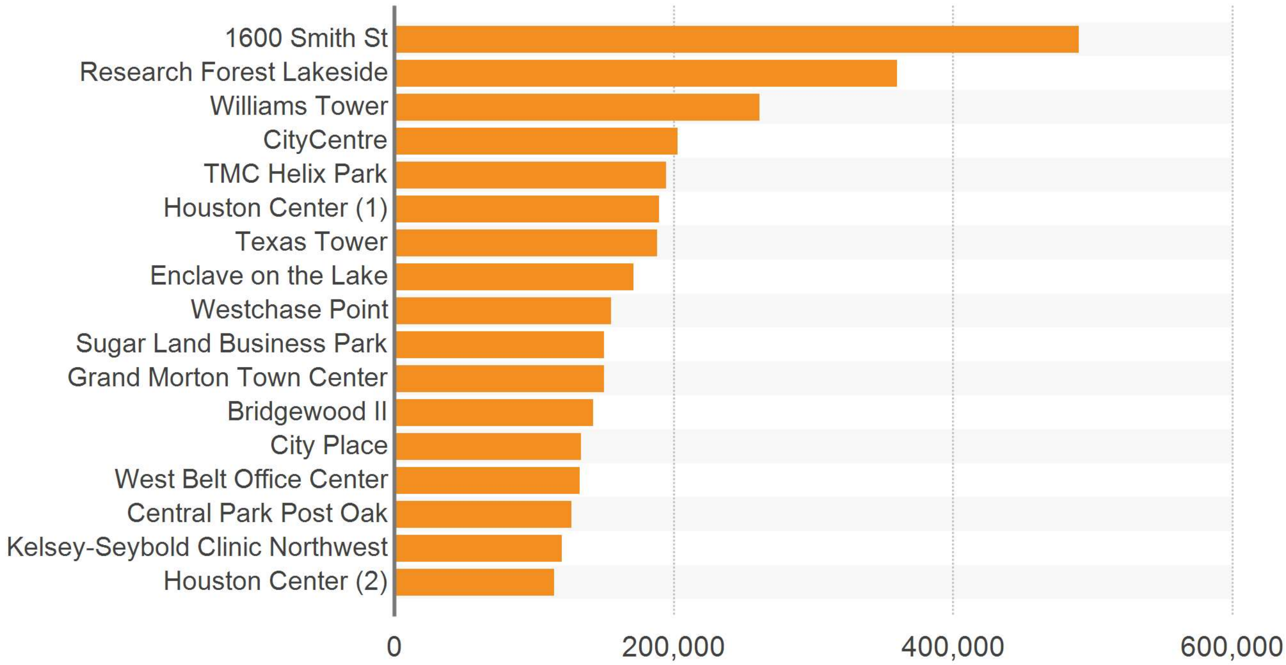
VACANCY RATE



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
1600 Smith St	CBD	1,293,646	506,415	0	0	0	0	489,924
Research Forest Lakeside	The Woodlands	360,000	0	0	0	0	0	360,000
Williams Tower	Galleria/Uptown	1,482,384	260,679	29,068	0	0	0	261,652
CityCentre	Katy Freeway East	324,450	121,544	202,906	0	0	0	202,906
TMC Helix Park	South Main/Medical···	350,000	105,643	0	0	0	0	194,623
Houston Center (1)	CBD	1,311,133	570,621	(102,452)	0	0	0	189,483
Texas Tower	CBD	1,191,990	98,072	30,382	0	0	0	188,349
Enclave on the Lake	Katy Freeway West	171,091	0	0	0	0	0	171,091
Westchase Point	Westchase	159,333	0	155,314	0	0	0	155,314
Sugar Land Business Park	E Fort Bend Co/Sug···	178,500	0	0	0	0	0	150,000
Grand Morton Town Center	Katy/Grand Parkway···	150,000	0	0	0	0	0	150,000
Bridgewood II	Greenspoint/N Belt···	168,924	0	142,431	0	0	0	142,431
City Place	The Woodlands	288,609	111,134	38,929	0	0	0	133,718
West Belt Office Center	Southwest Beltway 8	132,599	0	0	0	0	0	132,599
Central Park Post Oak	Galleria/Uptown	398,386	241,492	0	0	0	0	126,774
Kelsey-Seybold Clinic Northwest	FM 1960/Hwy 249	120,000	0	0	0	0	0	120,000
Houston Center (2)	CBD	604,055	21,343	25,246	0	0	0	114,400
Subtotal Primary Competitors		**8,685,100**	**2,036,943**	**521,824**	**0**	**0**	**0**	**3,283,264**
Remaining Houston Market		346,491,133	67,891,352	89,211	0	0	0	(582,235)
Total Houston Market		**355,176,233**	**69,928,295**	**611,035**	**0**	**0**	**0**	**2,701,029**

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
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	CBRE	JLL
5444 Westheimer Rd	Galleria/Uptown	126,223	Q1 25	Westlake Corporation	Partners	Tanglewood Property···
1000 Main	CBD	99,397	Q4 25	Simpson Thacher	Stream Realty Partn···	CBRE
CityWestPlace *	Westchase	95,827	Q3 25	BMC	Cushman & Wakefield	Cushman & Wakefield
Citycentre	Katy Freeway East	90,786	Q4 25	Kimmeridge Energy	CBRE	JLL
Williams Tower *	Galleria/Uptown	79,550	Q2 25	Morgan Stanley	-	CBRE
397 N Sam Houston Pky E	Greenspoint/N Belt West	71,756	Q1 25	-	-	Avid Commercial Real···
Twenty Greenway Plaza *	Greenway Plaza	70,914	Q4 25	Merrill A Bank of America···	JLL	CBRE
Westway Park	West Belt	62,483	Q3 25	Seadrill	-	CBRE
City Place	The Woodlands	61,966	Q3 25	Tetra Technologies	-	Newmark
Citycentre	Katy Freeway East	60,000	Q3 25	Magnolia Oil	Partners	JLL
Four Oaks Place *	Galleria/Uptown	59,604	Q1 25	Engie North America	-	-
13100 Space Center Blvd *	NASA/Clear Lake	57,214	Q3 25	Saber Power Services, LLC	Partners	JLL
1001 Fannin St *	CBD	55,082	Q2 25	Black Stone Minerals	Cushman & Wakefield	Partners
811 Main	CBD	53,714	Q3 25	Fervo Energy	-	Transwestern Real Est···
Katy Medical Complex Surgery Center	Katy/Grand Parkway West	52,732	Q3 25	-	-	Transwestern Real Est···
Woodbend Plaza	FM 1960/Hwy 249	52,448	Q1 25	BDX Solutions	-	Transwestern Real Est···
10707 Clay Rd	Katy Freeway East	52,424	Q3 25	-	Cresa	-
24 Hour Fitness	Stafford	52,184	Q3 25	Eurofins	-	NewQuest Properties
910 Louisiana	CBD	51,440	Q2 25	Summit Midstream Partne···	Cushman & Wakefield	Partners
Houston Center	CBD	50,614	Q3 25	NRG Energy, Inc.	-	Stream Realty Partners···
CityWestPlace	Westchase	50,544	Q2 25	Bechtel Corporation	CBRE	Cushman & Wakefield
910 Louisiana	CBD	50,506	Q2 25	Consolidated Asset Mana···	Cresa	Partners
Research Forest Lakeside *	The Woodlands	48,981	Q2 25	ChampionX	-	Warmack Investments
CenterPoint Energy Tower	CBD	47,330	Q1 26	-	-	Stream Realty Partners···
Westlake Park	Katy Freeway West	47,150	Q3 25	DBR Engineering Consult···	Avison Young	JLL
Westchase Commons Tech Ct	Westchase	45,000	Q4 25	Concorde Career Colleges	Cushman & Wakefield	JLL
TC Energy Center	CBD	43,086	Q3 25	Wright, Close & Barger, LLP	Newmark	CBRE
TC Energy Center	CBD	42,985	Q2 25	O'Melveny & Myers	-	CBRE
1900 West Loop S *	Galleria/Uptown	41,326	Q3 25	-	-	Transwestern Real Est···
Autry Park	Midtown	40,154	Q2 25	-	-	Alpina Advisors;CBRE
Autry Park	Midtown	39,869	Q2 25	Corient	-	Alpina Advisors;CBRE
Houston Center *	CBD	39,066	Q4 25	Evercore Partners Inc.	Colliers	-
2925 Briarpark Dr	Westchase	38,840	Q1 26	IES Commercial and Indu···	-	JLL
10500 Richmond Ave	Westchase	38,724	Q3 25	StarPipe	-	Lee & Associates
Briarpark Green *	Westchase	38,437	Q3 25	Friede & Goldman Ltd	-	JLL
Sugar Creek Tower II	E Fort Bend Co/Sugar Land	37,329	Q3 25	Texas Instruments	-	Newmark
Westchase Park	Westchase	33,359	Q1 26	Melton & Melton, L.L.P.	JLL	Stream Realty Partners···

*Renewal

Houston's annual rent growth is 0.8%, roughly in line with national norms but far below the early 2010s, when rents rose about 6% per year. Limited availability in premium buildings is expected to offset older inventory, keeping growth marginally positive.

Office asking rents have seen minimal gains since early 2020, while real effective rents have fallen. At $30.00/SF, gross rents are only about $2 higher than pre-2020 levels, compared to consumer prices, which have risen more than 25% over the same period.

As Houston's office market becomes more fragmented, rent trends increasingly vary by property and submarket. New or recently renovated trophy towers in high-demand mixed-use areas like CityCentre and Memorial City have posted rental increases of 10%−20% over the past 18−20 months.

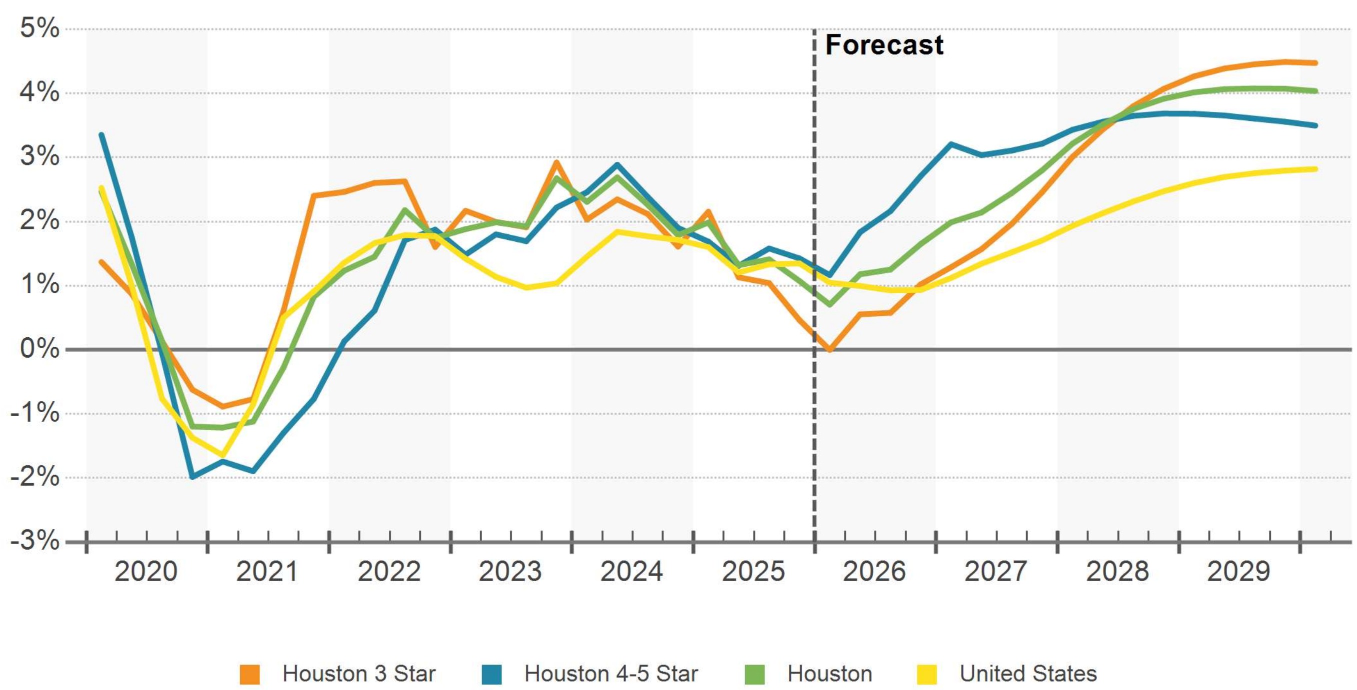
Free-rent packages are similar across the CBD and suburbs: three months on a three-year lease, six to eight months on a five-year lease, and 12 to 18 months on a 10-year term. Landlords prefer build-out allowances to go toward construction, but have become more flexible, now allowing them to cover items like furniture and moving costs. Build-out allowances stand at $75−90/SF for legacy buildings and $110−120/SF for new spaces, largely unchanged from two years ago. Landlord reps note that it takes 48-60 months to recoup those TIs.

The highest rents in Houston are in areas with a high concentration of 4 & 5 Star buildings. The CBD leads at $37/SF, followed by Katy Freeway East at $35/SF. New construction is pushing the upper limits. For example, Skanska's 28-story CBD tower, delivered in 2024, is advertised at around $50/SF NNN.

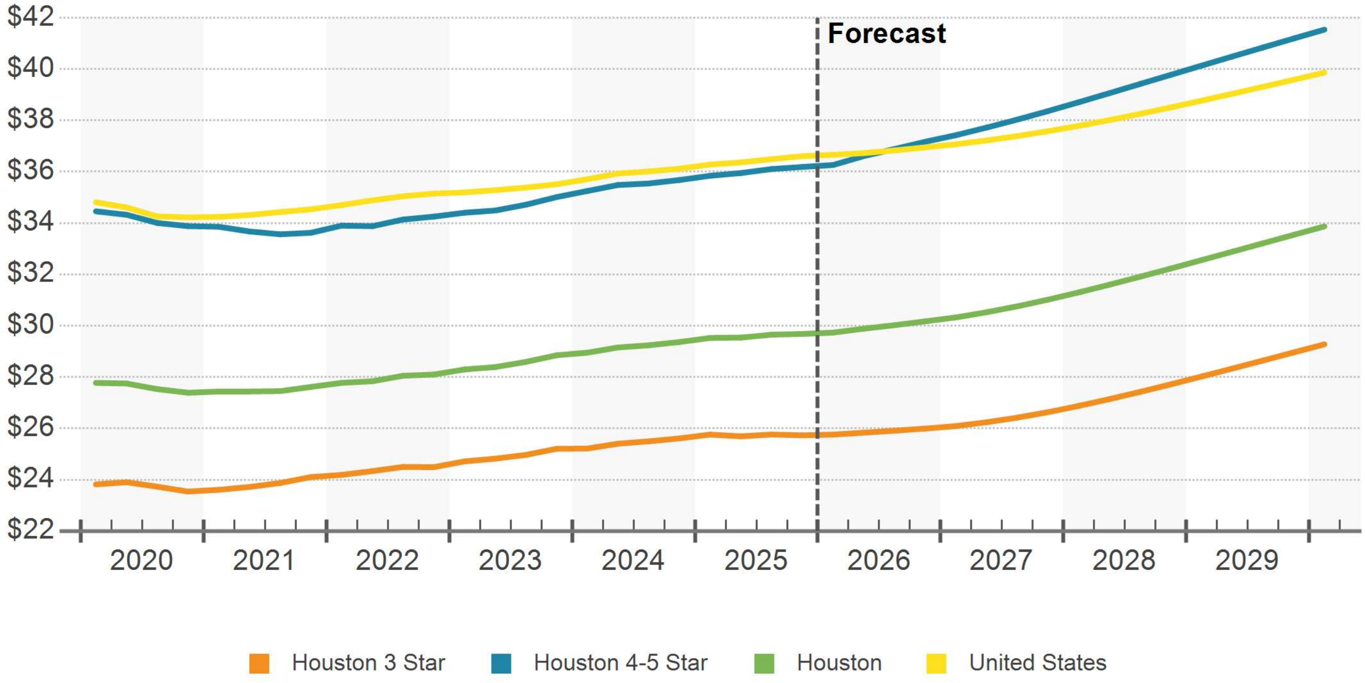
Sublease rents average about 20% below direct space, compared to a 15% gap in 2019. Discounts are steeper for older second-generation spaces. In the 1983-built Parkwood Circle Building in the NOV Headquarters, sublease space is offered at $12.00/SF modified gross, compared to $20/SF for similar 3 Star buildings in the Southwest Beltway 8 Submarket, a 40% discount.

Record-high vacancy ensures tenants retain significant leverage, especially in older buildings and less competitive locations. Some downward pressure may also emerge from new owners of discounted assets who can undercut the broader market to fill space. Still, first-generation space in Houston's most in-demand nodes remains an exception, particularly as new supply continues to slow.

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	$2.21	$1.11	$0.74	$4.37	$5.31	**$13.74**
Baytown	$1.07	$1.63	$0.85	$5.24	$9.11	**$18.98**
Bellaire	$2.68	$1.23	$0.66	$3.36	$5.54	**$13.47**
Conroe	$1.41	$0.77	$0.56	$2.66	$4	**$9.40**
Downtown	$2.21	$1.35	$1.08	$4.96	$6.57	**$16.17**
E Fort Bend Co/Sugar Land	$1.81	$0.85	$1.16	$3.13	$4.56	**$11.51**
FM 1960	$1.93	$0.75	$0.65	$2.77	$4.82	**$10.93**
Greenway Plaza	$2.46	$1.12	$0.74	$5.09	$3.83	**$13.24**
Gulf Freeway/Pasadena	$2.36	$1.14	$0.90	$3.04	$6.30	**$13.74**
Katy Freeway	$2.54	$1.12	$0.64	$5.16	$5.64	**$15.10**
Katy/Grand Parkway West	$1.61	$0.88	$0.88	$3.87	$4.92	**$12.16**
Kingwood/Humble	$2.01	$0.89	$0.51	$4.17	$3.84	**$11.42**
NASA/Clear Lake	$2.16	$0.94	$0.76	$2.14	$4.47	**$10.47**
North Belt	$1.34	$0.70	$0.48	$1.21	$2.77	**$6.49**
Northeast Near	$1.86	$1.17	$0.59	$4.51	$8.65	**$16.77**
Northeast Outlier	$1.04	$0.77	$1.25	$2.21	$3.04	**$8.31**
Northwest	$1.67	$0.82	$0.43	$1.82	$3.64	**$8.51**
Northwest Outlier	$2.04	$0.77	$0.67	$3.67	$3.72	**$10.87**
Outlying Montgomery Cnty	$2.33	$1.66	$0.63	$2.78	$9.85	**$17.24**
San Felipe/Voss	$2.22	$1.04	$0.86	$2.63	$3.43	**$10.17**
South	$1.93	$1.15	$0.93	$6.95	$4.79	**$15.75**
South Main/Medical Center	$2.46	$1.14	$0.81	$4.97	$4.80	**$14.19**
Southeast Outlier	$2.14	$1.22	$0.70	$1.71	$6.78	**$12.54**
Southwest	$2.05	$0.58	$0.32	$0.78	$3.33	**$7.05**
Southwest Far	$2.16	$1.01	$0.67	$3.45	$5.12	**$12.41**
Southwest Outlier	$2.12	$0.77	$0.69	$2.15	$3.85	**$9.58**
The Woodlands	$2.22	$1.23	$0.55	$5.87	$5.36	**$15.22**
West Belt	$2.34	$1.24	$0.58	$3.13	$4.44	**$11.74**
West Loop	$2.59	$1.15	$0.69	$5.25	$6.34	**$16.02**
Westchase	$2.22	$1.40	$0.82	$4.53	$5.43	**$14.39**

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	$1.63	$0.81	$0.58	$3.92	$3.27	**$10.21**
Austin County	$1.64	$0.77	$0.54	$2.18	$2.99	**$8.12**
Baytown	$1.55	$0.81	$0.50	$3.83	$2.86	**$9.55**
Bellaire	$2.15	$0.85	$0.48	$3.18	$3.72	**$10.38**
Conroe	$1.30	$0.84	$0.47	$3.47	$3.54	**$9.63**
Downtown	$1.74	$0.89	$0.66	$4.56	$3.95	**$11.79**
E Fort Bend Co/Sugar Land	$1.13	$0.43	$0.94	$4.58	$2.63	**$9.71**
FM 1960	$1.78	$0.77	$0.52	$3.40	$3.76	**$10.23**
Greenway Plaza	$2.03	$0.99	$0.62	$5.93	$3.67	**$13.23**
Gulf Freeway/Pasadena	$1.69	$0.80	$0.65	$4.12	$3.39	**$10.65**
I-10 East	$1.57	$0.78	$0.52	$3.62	$2.82	**$9.31**
Katy Freeway	$1.53	$0.83	$0.40	$4.36	$3.05	**$10.17**
Katy/Grand Parkway West	$1.33	$0.81	$0.77	$4.53	$3.37	**$10.81**
Kingwood/Humble	$1.66	$0.92	$0.43	$3	$3.16	**$9.16**
Liberty County	$2.06	$0.79	$0.67	$2.79	$3.76	**$10.06**
NASA/Clear Lake	$1.83	$0.90	$0.51	$3.52	$3.48	**$10.24**
North Belt	$1.23	$0.69	$0.39	$1.96	$2.51	**$6.78**
Northeast Near	$1.51	$0.77	$0.49	$4.35	$2.74	**$9.86**
Northeast Outlier	$0.90	$0.77	$0.93	$6.30	$2.52	**$11.41**
Northwest	$1.65	$0.78	$0.42	$4.84	$3.06	**$10.75**
Northwest Outlier	$1.82	$0.80	$0.59	$3.86	$3.49	**$10.56**
Outlying Chambers County	$1.65	$0.77	$0.54	$1.84	$3.01	**$7.81**
Outlying Montgomery Cnty	$1.89	$0.87	$0.58	$2.78	$3.54	**$9.66**
Outlying Waller County	$1.59	$0.77	$0.52	$1.83	$2.89	**$7.60**
Richmond/Fountainview	$2.60	$0.79	$0.63	$2.71	$3.37	**$10.10**
San Felipe/Voss	$1.96	$0.99	$0.64	$3.59	$2.90	**$10.08**
San Jacinto County	$1.56	$0.74	$0.31	$1.59	$2.77	**$6.97**
South	$1.56	$0.79	$0.95	$5.21	$2.69	**$11.20**
South Hwy 35	$1.56	$0.77	$0.51	$2.98	$2.83	**$8.65**
South Main/Medical Center	$2.03	$1.06	$0.68	$4.41	$3.66	**$11.84**
Southeast Outlier	$1.67	$0.82	$0.53	$3.06	$3.12	**$9.20**
Southwest	$1.81	$0.65	$0.42	$2.50	$2.48	**$7.86**
Southwest Far	$1.65	$0.76	$0.55	$5.17	$3.01	**$11.14**
Southwest Outlier	$1.72	$0.78	$0.57	$3.96	$3.22	**$10.25**
The Woodlands	$1.60	$0.89	$0.39	$3.58	$3.31	**$9.77**
West Belt	$1.83	$1.08	$0.46	$3.85	$2.64	**$9.86**
West Loop	$1.93	$1.02	$0.51	$3.89	$4.30	**$11.65**
Westchase	$1.42	$1.04	$0.52	$3.10	$3.24	**$9.33**

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	$1.61	$0.80	$0.54	$3.91	$3.10	**$9.96**
Austin County	$1.41	$0.77	$0.46	$1.91	$2.57	**$7.12**
Baytown	$1.49	$0.77	$0.49	$3.38	$2.73	**$8.85**
Bellaire	$2.13	$0.79	$0.46	$3.78	$3.48	**$10.64**
Conroe	$1.14	$0.79	$0.44	$2.27	$3.24	**$7.89**
Downtown	$1.84	$0.84	$0.65	$5.93	$3.73	**$12.99**
E Fort Bend Co/Sugar Land	$1.05	$0.42	$0.85	$3.92	$2.46	**$8.70**
FM 1960	$1.56	$0.77	$0.44	$2.88	$3.10	**$8.75**
Greenway Plaza	$1.96	$0.92	$0.59	$6.93	$3.43	**$13.83**
Gulf Freeway/Pasadena	$1.62	$0.78	$0.62	$3.10	$3.24	**$9.36**
I-10 East	$1.46	$0.78	$0.47	$3.60	$2.68	**$9**
Katy Freeway	$1.52	$0.80	$0.37	$4.25	$2.90	**$9.84**
Katy/Grand Parkway West	$1.55	$0.78	$0.92	$3.93	$3.72	**$10.90**
Kingwood/Humble	$1.52	$0.89	$0.39	$3.28	$2.91	**$8.99**
Liberty County	$1.42	$0.78	$0.46	$2.70	$2.61	**$7.98**
NASA/Clear Lake	$1.76	$0.89	$0.48	$3.58	$3.46	**$10.17**
North Belt	$1.26	$0.71	$0.40	$2.48	$2.65	**$7.50**
Northeast Near	$1.37	$0.77	$0.44	$3.82	$2.46	**$8.86**
Northeast Outlier	$0.85	$0.76	$1.03	$3.50	$2.52	**$8.66**
Northwest	$1.62	$0.76	$0.41	$5.81	$2.97	**$11.58**
Northwest Outlier	$1.67	$0.78	$0.54	$4.06	$3	**$10.05**
Outlying Chambers County	$1.63	$0.77	$0.53	$3.23	$2.97	**$9.13**
Outlying Montgomery Cnty	$1.60	$0.78	$0.52	$3.38	$2.92	**$9.20**
Outlying Waller County	$1.53	$0.77	$0.50	$2.40	$2.78	**$7.98**
Richmond/Fountainview	$2.06	$0.77	$0.49	$4.27	$2.64	**$10.24**
San Felipe/Voss	$1.73	$0.98	$0.48	$6.76	$3.20	**$13.15**
San Jacinto County	$1.27	$0.74	$0.26	$1.42	$2.26	**$5.96**
South	$1.46	$0.78	$0.89	$3.97	$2.47	**$9.58**
South Hwy 35	$1.57	$0.77	$0.51	$2.67	$2.85	**$8.36**
South Main/Medical Center	$1.79	$1.06	$0.59	$5.91	$3.22	**$12.57**
Southeast Outlier	$1.93	$0.78	$0.63	$2.35	$3.53	**$9.22**
Southwest	$1.98	$0.64	$0.41	$2.57	$2.80	**$8.39**
Southwest Far	$1.56	$0.78	$0.50	$2.70	$2.85	**$8.39**
Southwest Outlier	$1.36	$0.78	$0.45	$3.65	$2.54	**$8.78**
The Woodlands	$1.52	$0.90	$0.35	$3.38	$3.22	**$9.37**
West Belt	$1.71	$1.08	$0.43	$4.66	$2.48	**$10.36**
West Loop	$1.89	$1.08	$0.48	$4.70	$3.74	**$11.90**
Westchase	$1.22	$0.97	$0.42	$2.99	$2.80	**$8.41**

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

Construction

Supply-side pressure in Houston's office market remains minimal. Just 1.3 million SF is currently under construction as of 2026q1, only 0.4% of total inventory and less than half the 10-year average of 4.2 million SF. The pipeline had already thinned following the 2016 oil bust, and has tightened further amid a difficult financing environment. With construction starts at record lows, tenant reps expect more tenants to backfill second- and third-generation space due to the limited availability of first-generation product.

Roughly 85% of space underway is preleased, further reducing the impact of new supply. Much of this activity is concentrated in Houston's fast-growing northern and western suburbs. Developers able to secure financing for spec projects continue to target submarkets anchored by strong mixed-use environments. Recent examples, including Midway's 308,000-SF CityCentre Six Office, MetroNational's 190,000-SF building, and Moody Rambin's 170,000-SF Town Centre Two, have leased up quickly, underscoring robust demand for high-quality space in walkable, amenity-rich settings.

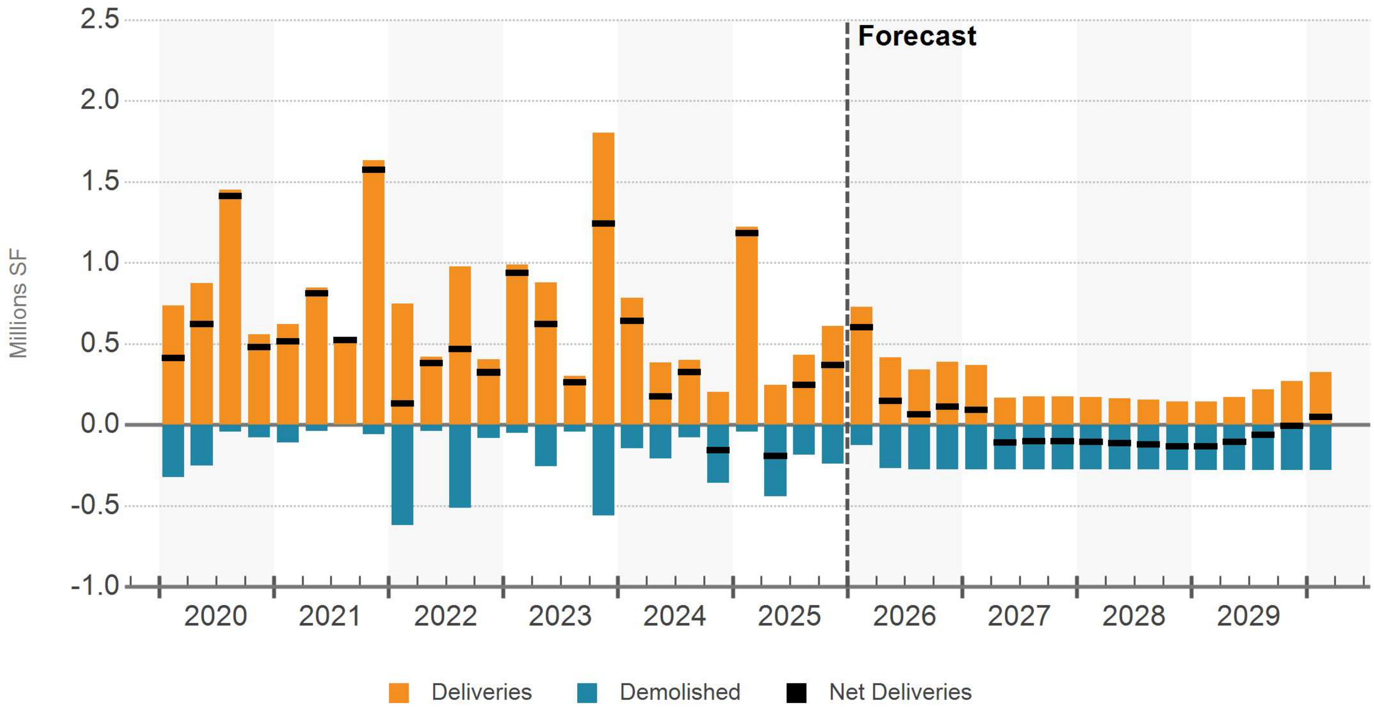
The CBD has also seen notable activity. In 2024, Skanska delivered a 28-story spec tower at 1550 Lamar St., where Norton Rose Fulbright preleased one-third of the building. The 390,000-SF tower serves as the first phase of the firm's broader Discovery West mixed-use development, which will ultimately incorporate retail, restaurants, and multifamily units.

Further south, the South Main/Medical Center submarket has emerged as one of Houston's most active office construction zones following a decade of near dormancy. Nearly 2 million SF has delivered over the past three years, compared with less than 400,000 SF between 2010 and 2020, driven largely by new life science developments as the Texas Medical Center advances its plans for what could become the world's largest life science campus.

Still, the market's most pressing challenge is its aging inventory. One-third of Houston's 46 submarkets have availability rates of 20% or more, much of it concentrated in towers built several decades ago. In Greenspoint/N Belt West, properties built before 1990 account for nearly 85% of inventory and have availability exceeding 35%. In the CBD, nearly 80% of inventory predates 1990, and availability in that cohort surpasses 30%.

With new supply nearly at a standstill, renovations of existing properties may accelerate as landlords compete for spillover demand. Some local participants also expect growing interest in converting underperforming office buildings to industrial or data-center use. Residential conversions, however, are likely to remain limited given the challenging economics associated with those projects.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

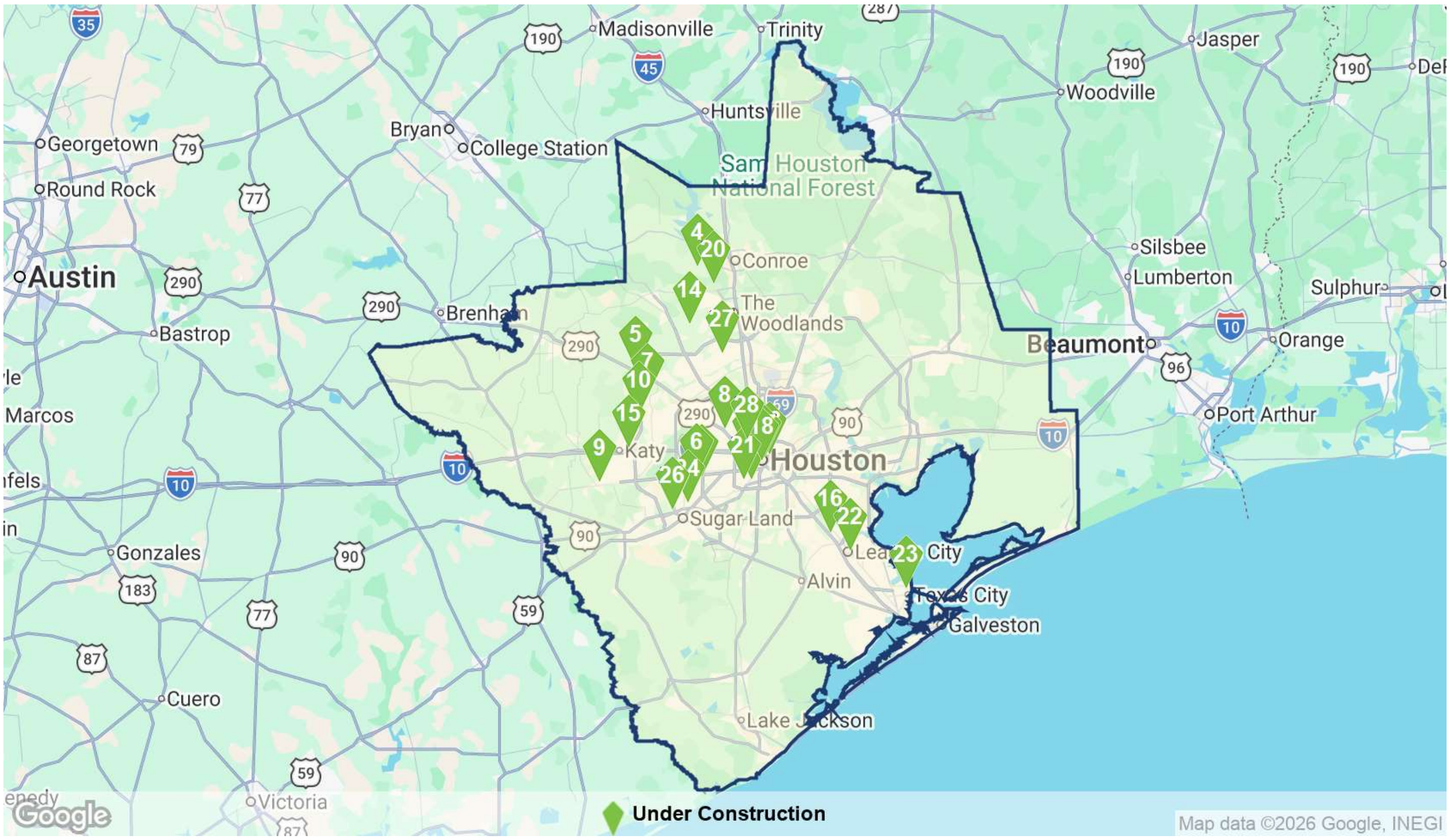
		Under Construction Inventory					Average Building Size		
No.	Submarket	Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Midtown	2	338	338	100%	1	17,125	168,826	1
2	Northwest Outlier	13	197	127	64.5%	10	7,688	15,186	7
3	Southwest Beltway 8	2	128	107	84.0%	8	37,626	63,944	2
4	Outlying Montgomery Cnty	6	102	91	89.2%	7	6,627	16,996	6
5	Southwest Outlier	12	92	61	66.8%	9	8,905	7,672	10
6	E Fort Bend Co/Sugar Land	10	77	69	89.5%	5	20,258	7,693	9
7	South Main/Medical Center	3	73	73	100%	1	49,518	24,333	4
8	NASA/Clear Lake	6	55	49	89.3%	6	19,390	9,225	8
9	CBD	2	40	40	100%	1	331,693	20,000	5
10	Northwest Far	1	38	38	100%	1	35,345	38,081	3
	All Other	29	182	174	95.6%		28,730	6,276	
Totals		**86**	**1,322**	**1,168**	**88.3%**		**29,970**	**15,376**	

Under Construction Properties

Houston Office

Properties	Square Feet	Percent of Inventory	Preleased
85	1,320,199	0.4%	88.4%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**1945 Allen Pky**	★★★★☆	210,000	14	Oct 2024	Feb 2027	Hines Service Corporation International
2	**Autry Park** 3712 Autry Park Dr	★★★★☆	127,651	7	Jun 2025	Nov 2026	- Hanover Company
3	**Asian City Plaza** 6865 W Sam Houston South I	★★★★☆	76,746	6	Oct 2025	Dec 2026	Asian City Development, Inc. Allied Hospitality
4	**Woodforest Medical Office (** 625 Regal Row	★★★★☆	67,375	1	Nov 2025	Jun 2026	- -
5	**Grand Cypress Doctors Pav** 29404 Northwest Fwy	★★★★☆	60,000	3	May 2024	Mar 2026	CONAR Building Group Kim Keller
6	**Southern International Tow** 11116 Bellaire Blvd	★★★★☆	51,142	4	May 2024	Mar 2026	Southern News Group Southern News Group
7	**Memorial Hermann** 00 Tuckerton Rd	★★★★☆	51,000	1	Aug 2025	Aug 2026	Howard Hughes Communities Howard Hughes Communities

Under Construction Properties

Houston Office

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	**Junior Achievement of Sout** 12200 Northwest Fwy	★★★☆☆	38,081	1	Feb 2025	Mar 2026	- Junior Achievement of Southeast Te:
9	**29607 FM 1093**	★★★☆☆	30,600	1	Jul 2025	Oct 2026	- -
10	**Building L** 7070 Elyson Exchange Way	★★★☆☆	30,500	2	Oct 2024	Mar 2026	Realty 1 Partners Realty 1 Partners
11	**1902 Old Spanish Trail**	★★★☆☆	30,000	6	Jan 2024	Mar 2026	- University Of Texas System
12	**1850 Old Spanish Trail**	★★★☆☆	30,000	6	Jan 2024	Mar 2026	- University Of Texas System
13	**Anton Paar USA** 0 Clinton Dr	★★★☆☆	30,000	3	Sep 2025	Jun 2026	- -
14	**25201 FM 2978 Rd**	★★★★☆	25,900	1	Apr 2024	Mar 2026	- Arnulfo Rodriguez Roofing Co, Inc.
15	**Scott Square Medical Office** 130 Bella Katy Dr	★★★☆☆	25,710	3	May 2023	Mar 2026	- -
16	**Kelsey-Seybold Clearlake (I** 1010 S Ponds Dr	★★★☆☆	25,600	3	Oct 2022	Mar 2026	Kelsey-Seybold Clinic Welltower Inc.
17	**609 Jackson Street**	★★★☆☆	20,000	4	Nov 2024	Mar 2026	- -
18	**1709 Jefferson Street**	★★★☆☆	20,000	3	Aug 2024	Mar 2026	- -
19	**Mathai Plaza** 177 Citadel Way	★★★☆☆	15,100	1	Jul 2024	Mar 2026	- Rupert Patel, MD
20	**15207 Sunset Trl**	★★★☆☆	15,000	1	Mar 2025	Mar 2026	- -
21	**2801 N Braeswood Blvd**	★★★☆☆	13,000	1	Mar 2025	Mar 2026	- -
22	**Texas Department of Public** 1202 Highway 3 S	★★★☆☆	12,936	1	Aug 2025	May 2026	- -
23	**501 8th Ave N**	★★★☆☆	12,750	1	May 2025	Mar 2026	- -
24	**402 Julie Rivers Dr**	★★★☆☆	10,576	1	Oct 2025	Apr 2026	- -
25	**Building 4** 217 Promenade Way	★★★☆☆	10,000	1	Apr 2025	Apr 2026	- PNR Ventures
26	**Building 3** 217 Promenade Way	★★☆☆☆	10,000	1	May 2025	Apr 2026	- PNR Ventures
27	**Spring Rose Office Condor** 18944 Kuykendahl Rd	★★★☆☆	7,185	1	Dec 2025	May 2026	- -
28	**720 W 24th St**	★★★☆☆	6,825	3	Sep 2025	May 2026	- -

Houston's office investment market gained further momentum in 2025, building on the rebound that began in 2024. More than 1,000 transactions closed last year, surpassing the previous peak of 979 in 2022 and setting a new record. Overall deal activity rose roughly 35% from 2024, signaling strengthening investor confidence despite broader economic uncertainty and lingering questions about long-term office demand.

As in national trends, private buyers and owner-users have dominated acquisitions since 2023. Institutional investors historically accounted for about 40% of annual volume, but their share fell to just 5% last year. Local brokers note, however, that institutional players are slowly re-emerging on bid sheets, motivated in part by the limited pipeline of new construction. Even so, most transactions continue to involve private investors and owner-users capitalizing on steep discounts, often far below replacement cost.

Recent examples illustrate the depth of pricing resets. Last December, McKinley Homes acquired the 160,000-SF Sam Houston Crossing One for $7.3 million ($46/SF) in an REO sale; the 2007-built property was 50% leased. Last September, Broadview Capital purchased a 100,000-SF medical office building at 1800 W 26th St for $10 million ($100/SF); the 2007-built property was only 23% leased at the time.

Pricing dynamics vary by asset type. For non-medical offices where in-place income is the primary driver, cap rates typically range from 8% to 9% for deals above $10 million, about 200 basis points higher than peak 2021 pricing. Last August, Dhannani Private Equity Group acquired a 180,000-SF building on 2401 Fountain View Dr. at a 9% cap rate; the 1981-built property (renovated in 1999) was 81% leased. Brokers emphasize that some 5 Star buildings in premier locations can still trade below 7%, reflecting early signs of cap-rate compression among the highest-quality assets.

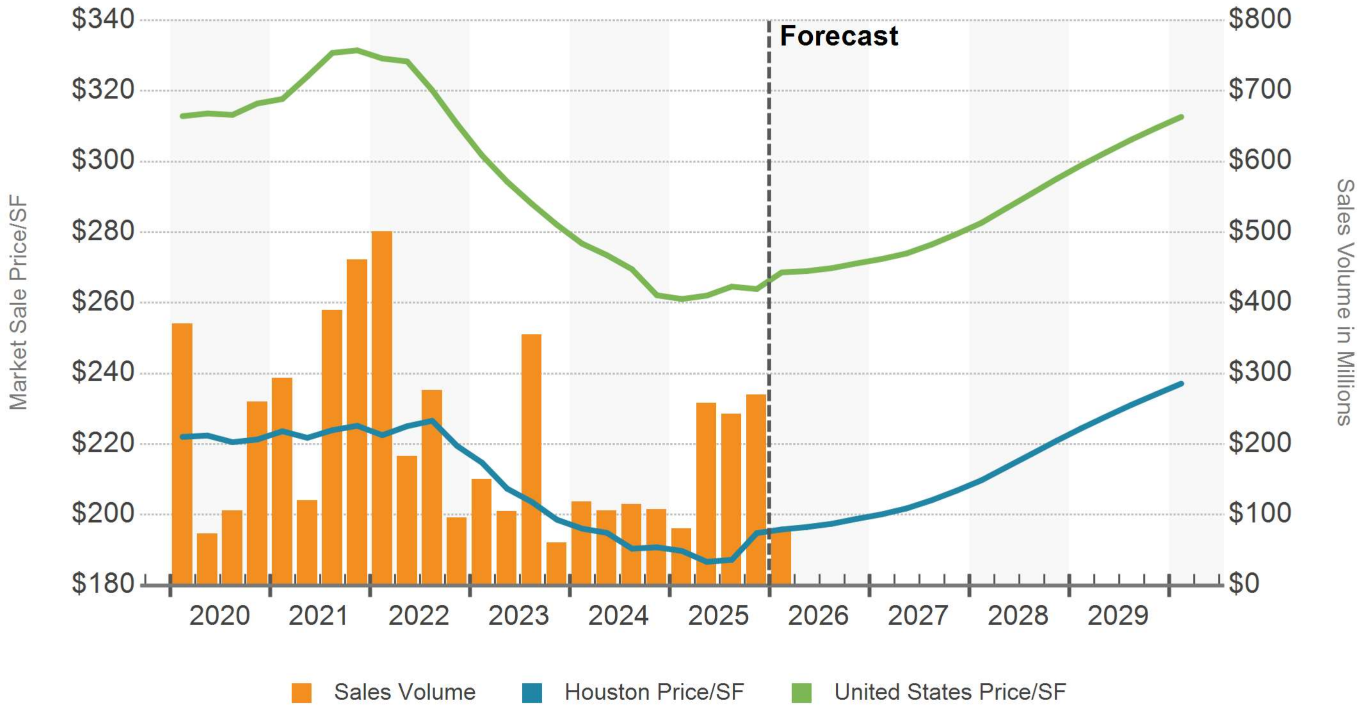
Medical office properties, favored for their perceived stability and tenant stickiness, have seen more modest cap-rate expansion. They now typically trade between 7% and 8%, up about 100−150 basis points from 2022 lows. Last November, the 11,000-SF Pediatric Center in Richmond sold at a 7% cap rate in a sale-leaseback; the 1975-built property, renovated in 2017, was fully leased.

Challenges persist. More than $1.5 billion in CMBS office loans mature through 2027, and delinquency rates remain elevated at around 14%, though slightly improved from recent highs. This means a steady pipeline of forced decisions (refinancing, recapitalization, or sale), which creates an opportunity for buyers with capital. Even so, consistent positive absorption in recent quarters suggests that vacancies are beginning to peak, supporting continued investor interest.

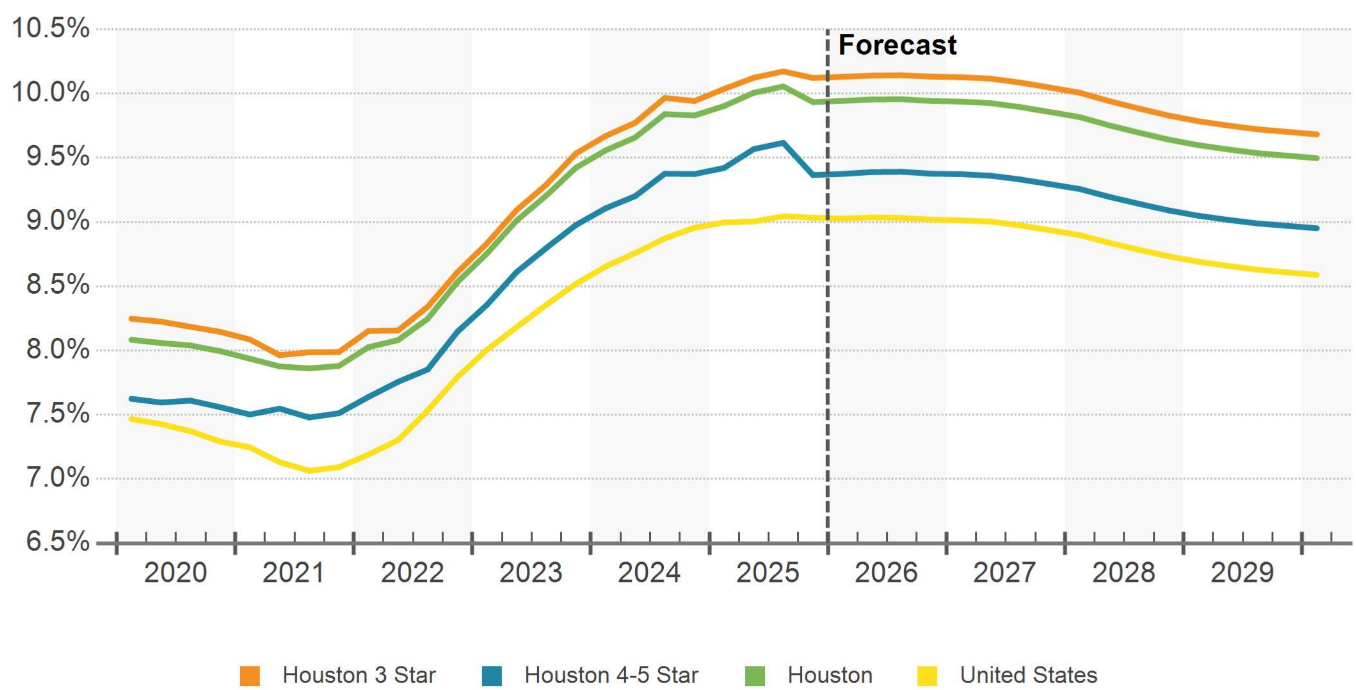
Looking ahead, investment strategies are unlikely to shift dramatically. High-vacancy buildings will remain targets for opportunistic buyers seeking redevelopment or long-term repositioning plays, while medical office properties should remain appealing to those searching for a more perceived recession-proof investment with long-term leases and stickier tenants.

Sales

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

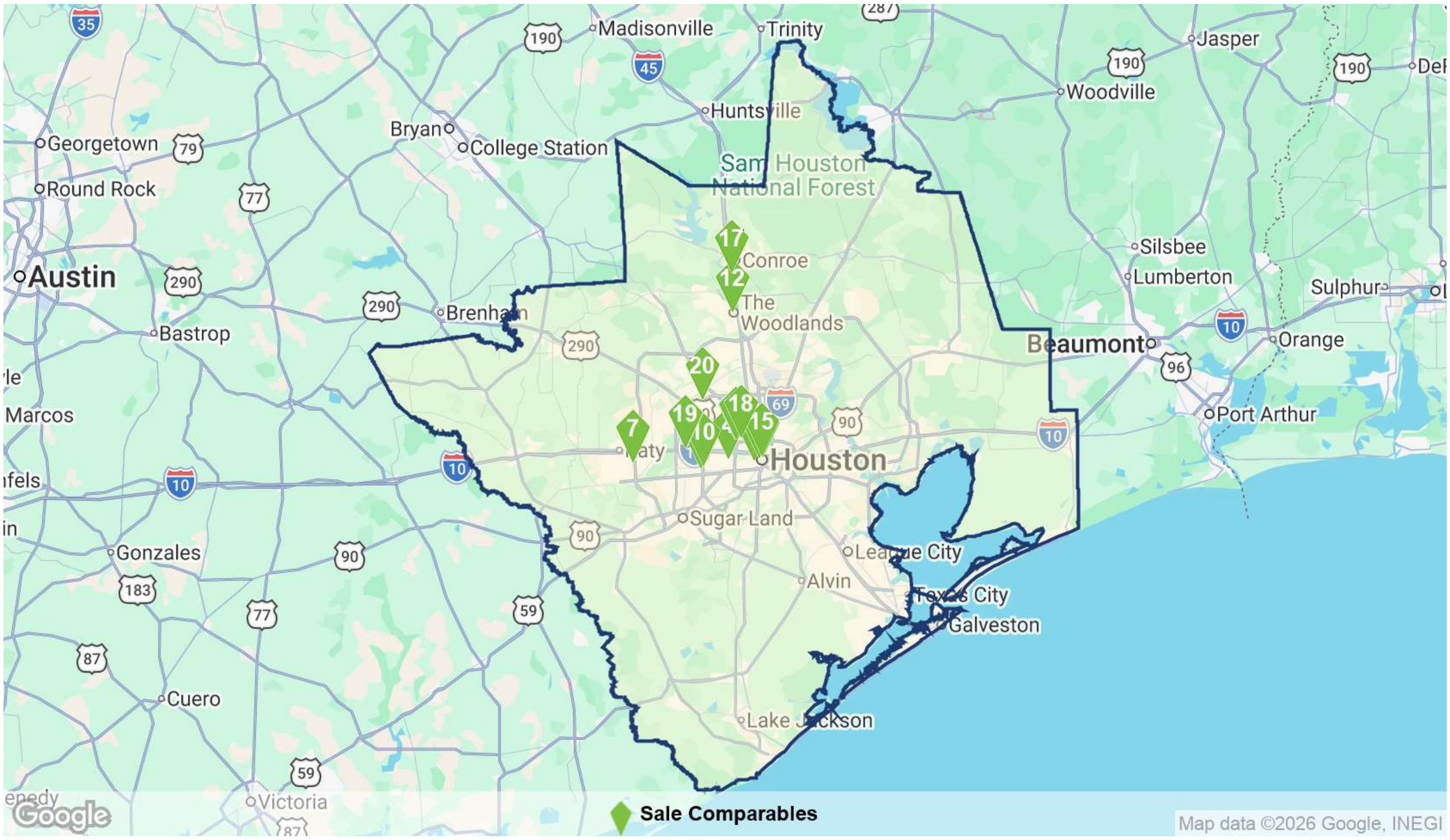


Sales Past 12 Months

Houston Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
1,009	**7.4%**	**$119**	**33.1%**

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$130,000	$8,132,155	$950,000	$203,000,000
Price/SF	$25	$119	$234	$1,214
Cap Rate	1.0%	7.4%	7.5%	10.2%
Time Since Sale in Months	0.0	6.2	6.2	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	500	31,117	5,000	1,311,133
Stories	1	2	1	51
Typical Floor SF	500	8,330	4,752	181,525
Vacancy Rate At Sale	0%	33.1%	0%	100%
Year Built	1900	1992	1997	2027
Star Rating	★☆☆☆☆	★★☆☆☆ 2.7	★★★☆☆	★★★★★

Sales Past 12 Months

Houston Office

RECENT SIGNIFICANT SALES

	Property Name - Address	Property Rating	Property Yr Built	Property Bldg SF	Property Vacancy	Sale Date	Sale Price	Sale Price/SF	Sale Cap Rate
1	**5 Houston Center** 1401 McKinney St	4	2002	604,055	7.7%	11/14/2025	$203,000,000	$336	-
2	**Montrose Collective** 888 Westheimer Rd	4	2021	168,781	0%	7/9/2025	$114,780,922	$680	-
3	**Jefferson Towers** 601 Jefferson St	3	1975	1,047,748	5.0%	1/12/2026	$66,000,000	$63	-
4	**5555 San Felipe St**	4	1983	1,164,707	68.8%	4/7/2025	$60,000,000	$52	-
5	**Buildings G, H, J, & K** 23501 Cinco Ranch Blvd	3	2006	95,392	5.7%	7/1/2025	$41,091,184	$431	-
6	**Westchase Park II** 3600 W Sam Houston Pky S	5	2014	294,727	34.8%	5/30/2025	$31,489,378	$107	-
7	**Phase III** 2717 Commercial Center···	3	2014	70,506	0%	7/1/2025	$28,782,691	$408	-
8	**Westchase Park I** 3700 W Sam Houston Pky S	4	2009	282,882	37.8%	5/30/2025	$27,460,622	$97	-
9	**Brookhollow Central II** 2900 N Loop Fwy W	4	1977	304,576	9.8%	6/9/2025	$21,865,245	$72	-
10	**3250 Briarpark Dr**	3	1998	194,919	21.5%	5/30/2025	$21,000,000	$108	10.2%
11	**Brookhollow Central III** 2950 N Loop Fwy W	4	1981	300,616	35.5%	6/9/2025	$20,998,435	$70	-
12	**7 Waterway** 10101 Woodloch Forest Dr	4	2009	200,000	100%	5/15/2025	$16,300,000	$82	-
13	**Brookhollow Central I** 2800 N Loop Fwy W	4	1972	201,349	19.0%	6/9/2025	$15,536,320	$77	-
14	**Ashford 7** 900 Threadneedle St	3	1982	197,698	20.2%	3/18/2025	$13,777,006	$70	-
15	**801 Travis** 801 Travis St	4	1981	222,192	52.4%	8/5/2025	$12,100,000	$54	-
16	**Ashford 6** 1155 Dairy Ashford Rd	3	1981	186,257	18.3%	3/18/2025	$11,869,824	$64	-
17	**Bldg G - Marcel Boulevard** 1135 Grand Central Blvd	3	2021	47,332	52.7%	1/23/2026	$10,338,802	$218	-
18	**1800 W 26th St**	3	2007	99,480	74.0%	9/19/2025	$9,969,375	$100	-
19	**Ashford 5** 14701 St. Marys Ln	3	1981	195,213	37.6%	3/18/2025	$8,353,170	$43	-
20	**Sam Houston Crossing…** 10343 Sam Houston Park Dr	3	2007	159,175	49.5%	12/16/2025	$7,250,000	$46	-

AIM HIGH REALTY

CoStar™

Located in Southeast Texas, the Houston metropolitan area is home to approximate 7.9 million people, making it the fifth-largest in the United States.

Houston consistently ranks among the fastest-growing metros in the country. Since 2010, the region has added more than 1.5 million residents, positioning it as the second-fastest growing metro in the U.S., just behind Dallas−Fort Worth. This growth is fueled by the area's affordability, warm climate, low taxes, pro-business environment, cultural diversity, and vibrant lifestyle, making Houston a top destination for newcomers.

Historically, the oil and gas industry has been a cornerstone of Houston's economy, but the region has diversified significantly. Today, healthcare, biomedical research, aerospace, as supported by NASA, and the Port of Houston are also major employment drivers. Houston is home to the world's largest medical center, and its port ranks among the busiest in the nation by tonnage.

Generous state incentives, such as no corporate or personal income tax, have attracted manufacturing and distribution hubs. Combined with highly rated public schools and comparatively affordable housing, Houston's suburbs have become prime destinations for families and businesses alike.

Commercial Real Estate Tapestry

Houston is a diverse commercial real estate market with a relatively new inventory of multifamily and retail properties concentrated in suburban areas. Although retail construction has been limited nationwide this past decade, developers have focused on building new retail properties near housing developments in rapidly growing suburban areas.

Industrial properties are overrepresented in the market, comprising 35% of the market's inventory but only 25% of its total asset value. The metro has experienced a surge in big-box warehouse development, fueled by port expansion, strong population growth, and its strategic location. Houston offers quick access to Mexico and benefits from two major airports, extensive interstate networks, and robust rail connections.

Although evolving office work habits and capital market conditions have pressured valuations, particularly among older properties, newer trophy inventory has helped keep asset values in the market high. Houston ranks as the 7th largest office market by square footage, while office property values rank 10th in the nation.

The hospitality sector here is relatively small, with hotel properties concentrated mainly in the Central Business District, serving business travelers, and in the Galleria/Uptown area, which caters to luxury shoppers and international visitors.

Population Trends

Population growth in the Houston metropolitan area has been consistently strong this past decade. With a population of 7.9 million, the region ranks fifth in terms of total population and seventh in terms of annual population growth. The population here is younger, though slightly less educated than the national average.

Houston's population growth is driven not just by net domestic migration, or movement from other parts of the country, but also by international migration and natural increases, births exceeding deaths.

Houston has a larger average household size than the U.S., reflecting its high immigrant share and multigenerational households.

Many newcomers arrive from higher-cost housing markets, with California, Illinois, and Florida consistently among the top sources of inbound migration.

Within the region, suburban expansion has been dramatic. While the metro grew 1.6% over the past year, cities like Fulshear and Manvel surged by 35% and 10%, respectively. International immigration also contributed to Harris County becoming the fastest-growing county in the U.S. last year.

Labor Market

Houston is known as the energy capital of the world, yet its economy is highly diversified, encompassing healthcare, aerospace, logistics, petrochemicals, and professional services. Major employers include ExxonMobil, Chevron, Shell, ConocoPhillips, MD Anderson, Texas Medical Center institutions, NASA's Johnson Space Center, Sysco, and Amazon fulfillment centers. The city ranks third nationally in terms of Fortune 500

headquarters, with 26 companies based here, trailing only New York and Chicago.

Economy

Houston's economy shows mixed performance. The region is emerging as a hub for biotechnology and life sciences, supported by medical research, device manufacturing, and health innovation. Clean energy and hydrogen investments are driving new projects, while healthcare remains strong thanks to the Texas Medical Center's expansion. The logistics and industrial sectors thrive on population growth, e-commerce, and port activity, although traditional manufacturing and energy services lag behind. Unemployment is slightly below the U.S. average, reflecting solid job creation. Recent announcements, including Eli Lilly's $6.5 billion biomanufacturing plant and Apple's AI server facility, underscore Houston's momentum.

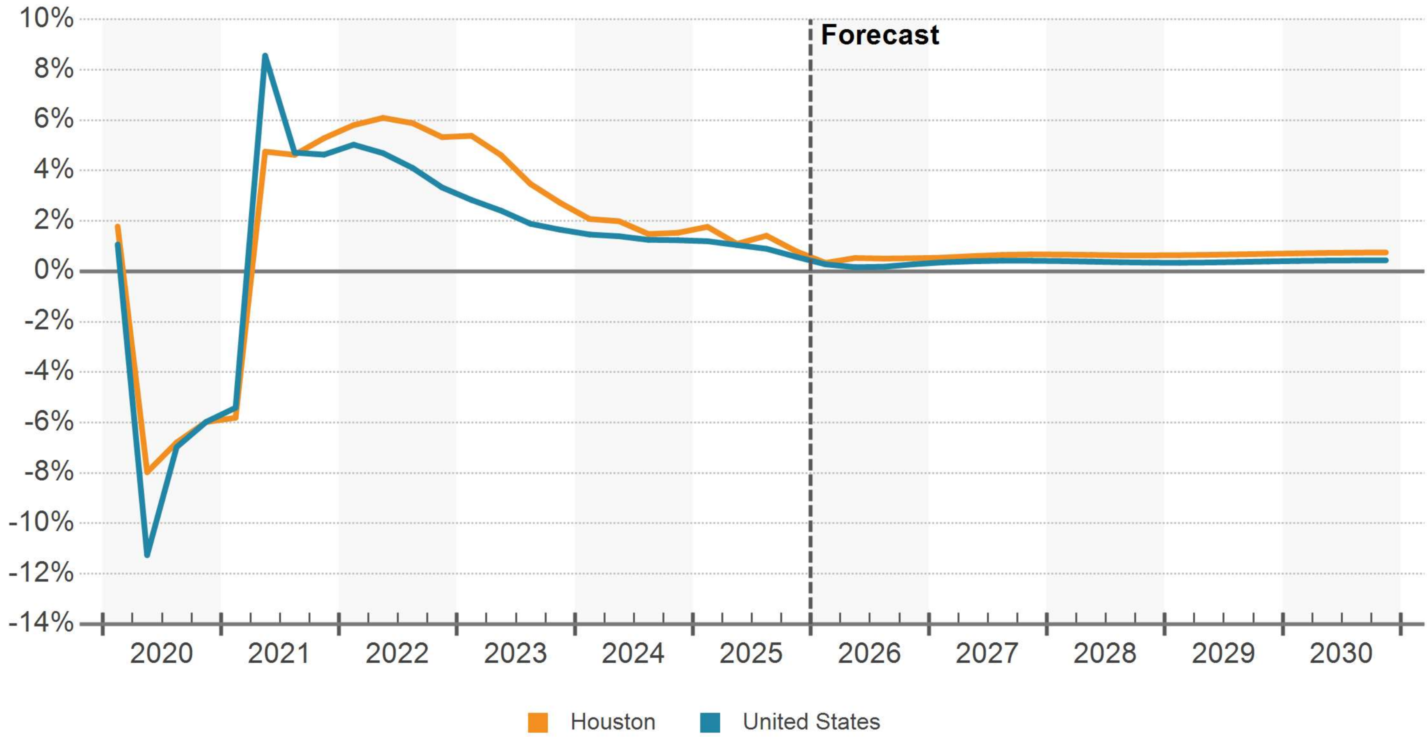
The metro continues to benefit from its diverse economic base, strong population growth, and business-friendly policies, positioning the region for sustained expansion.

HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	**Jobs**	**LQ**	**Market**	**US**	**Market**	**US**	**Market**	**US**
Manufacturing	240	0.9	-0.42%	-0.29%	0.41%	0.31%	0.23%	0.21%
Trade, Transportation and Utilities	707	1.1	0.72%	0.04%	1.54%	0.76%	0.47%	0.22%
Retail Trade	326	1.0	0.82%	0.33%	0.76%	-0.05%	0.35%	0.15%
Financial Activities	188	0.9	1.13%	0.05%	1.99%	1.18%	0.49%	0.24%
Government	456	0.9	-0.42%	-0.46%	1.65%	0.59%	0.82%	0.32%
Natural Resources, Mining and Construction	320	1.6	0.72%	-0.10%	0.26%	1.93%	0.16%	0.54%
Education and Health Services	473	0.8	2.30%	2.54%	2.50%	2.16%	0.92%	0.41%
Professional and Business Services	571	1.2	-0.30%	-0.34%	1.74%	1.17%	0.80%	0.48%
Information	30	0.5	-0.51%	0.05%	-0.38%	0.60%	-0.03%	0.19%
Leisure and Hospitality	371	1.0	0.69%	0.80%	1.92%	1.02%	1.12%	0.83%
Other Services	135	1.0	0.73%	0.83%	2.27%	0.70%	0.64%	0.18%
Total Employment	**3,491**	**1.0**	**0.54%**	**0.41%**	**1.57%**	**1.09%**	**0.66%**	**0.39%**

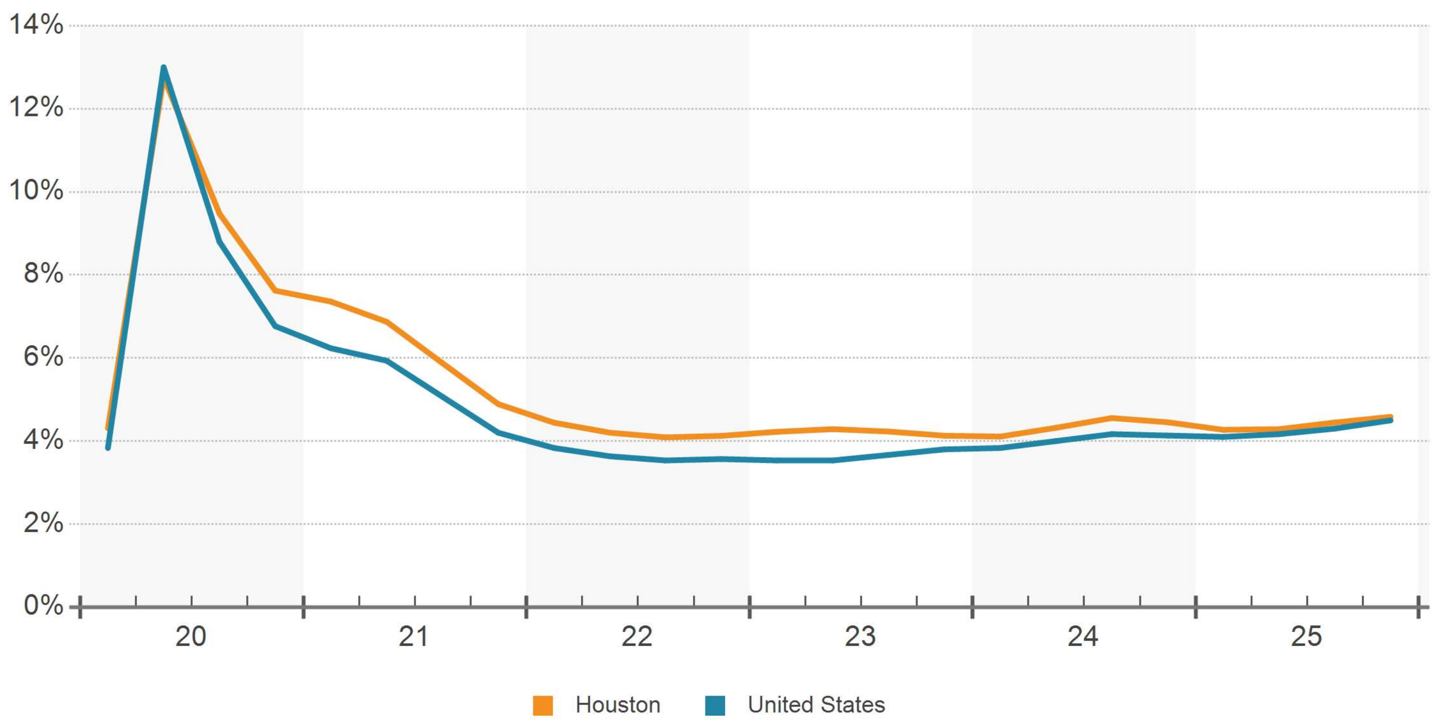
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

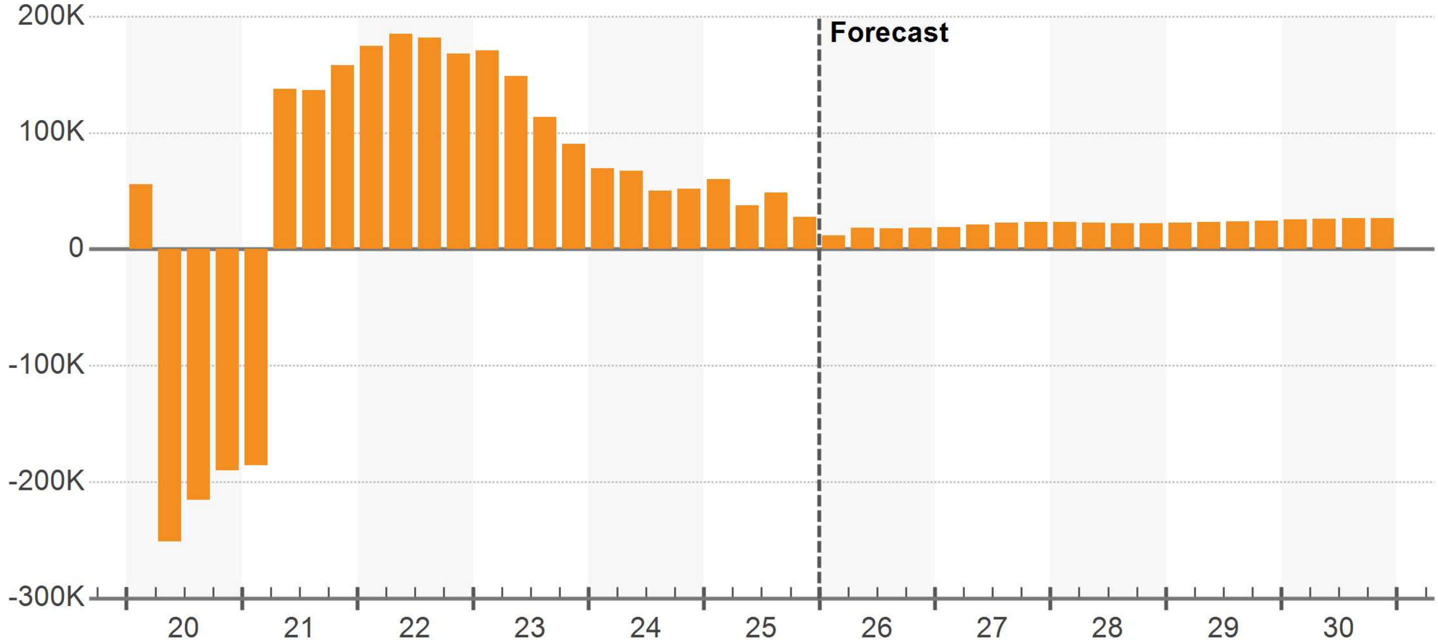


Source: Oxford Economics

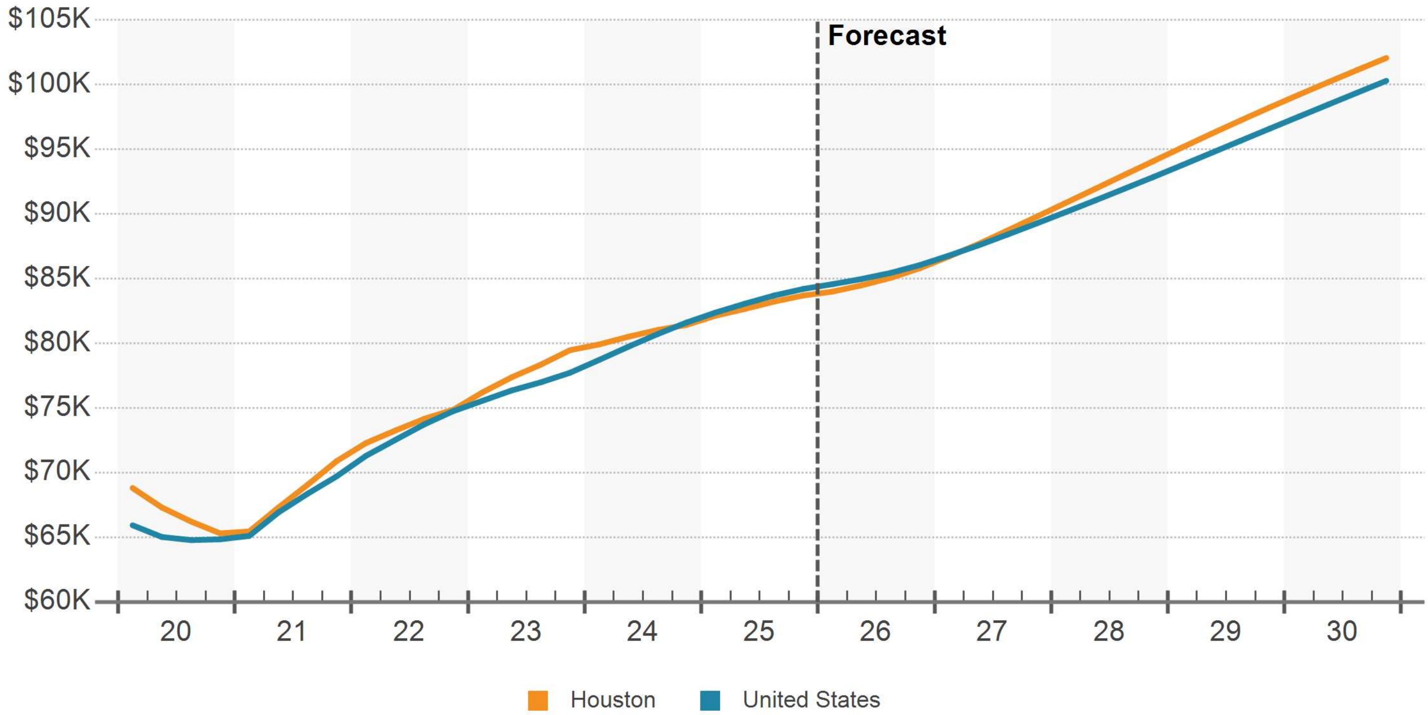
UNEMPLOYMENT RATE (%)



NET EMPLOYMENT CHANGE (YOY)



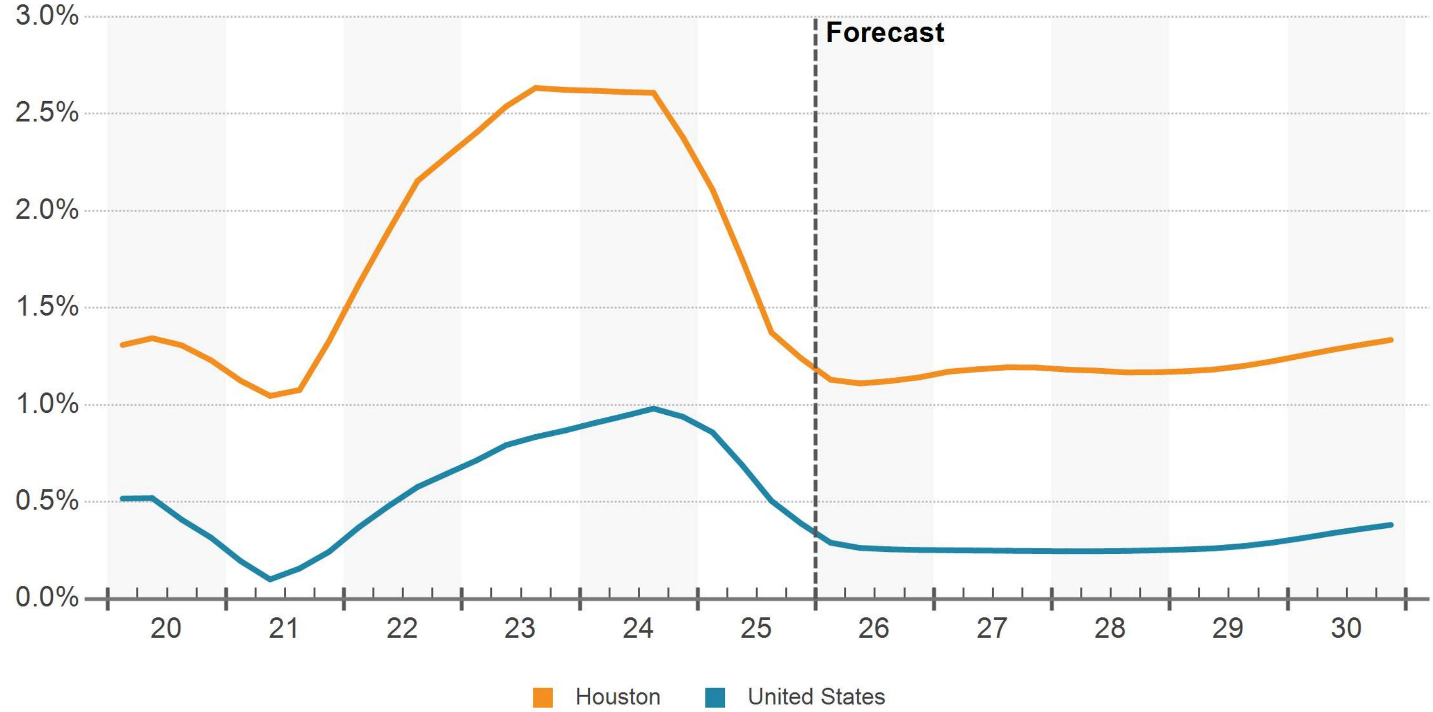
MEDIAN HOUSEHOLD INCOME



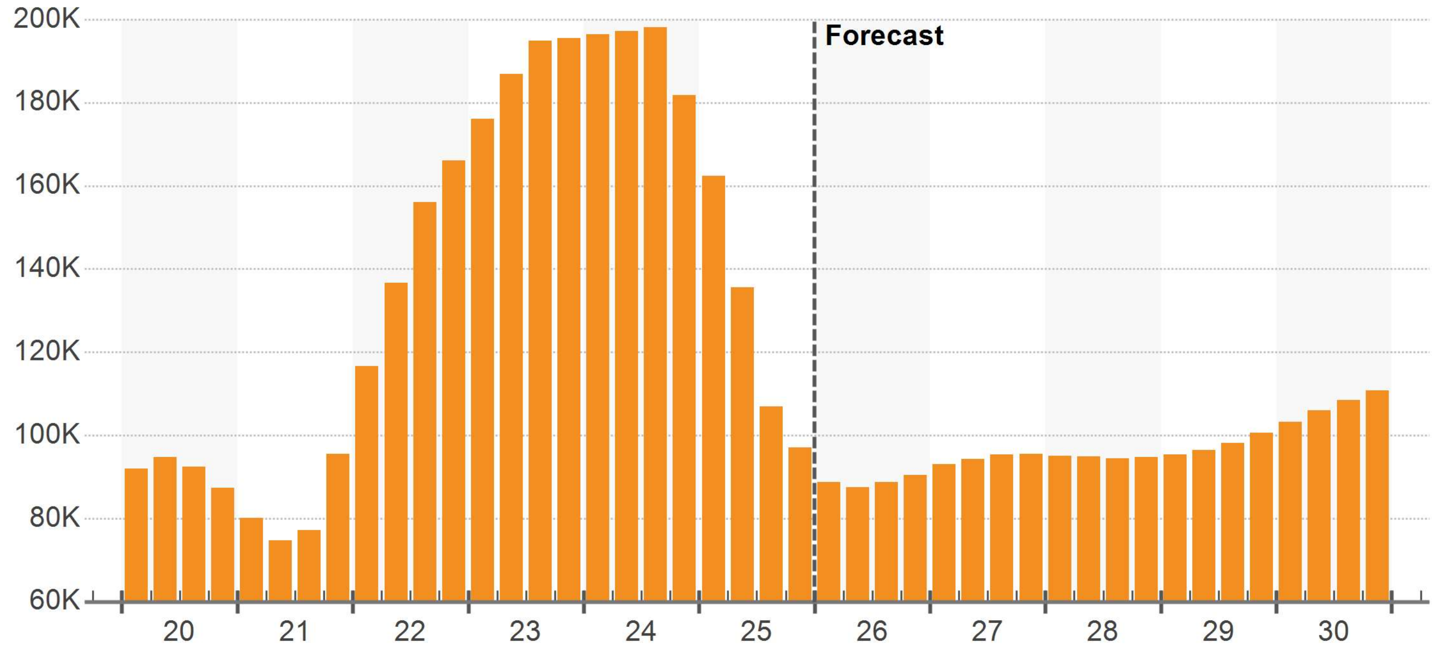
AIM HIGH REALTY

CoStar™

POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



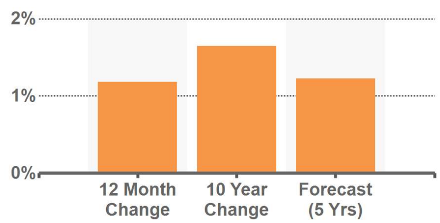
Economy

DEMOGRAPHIC TRENDS

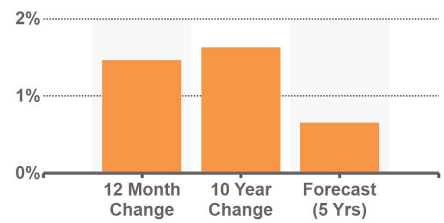
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	Metro	US	Metro	US	Metro	US	Metro	US
Population	7,936,819	342,176,188	1.2%	0.3%	1.6%	0.6%	1.2%	0.3%
Households	2,830,507	134,094,438	1.5%	0.7%	1.8%	1.0%	1.5%	0.6%
Median Household Income	$83,856	$84,401	2.5%	2.9%	3.2%	4.2%	4.1%	3.6%
Labor Force	3,909,186	170,943,563	1.5%	0.8%	1.6%	0.8%	0.6%	0.2%
Unemployment	4.6%	4.5%	0.2%	0.4%	0%	0%	-	-

Source: Oxford Economics

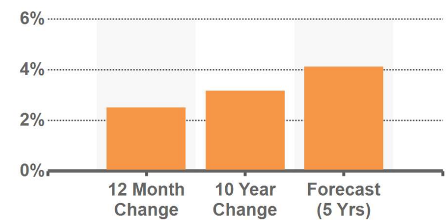
POPULATION GROWTH



LABOR FORCE GROWTH

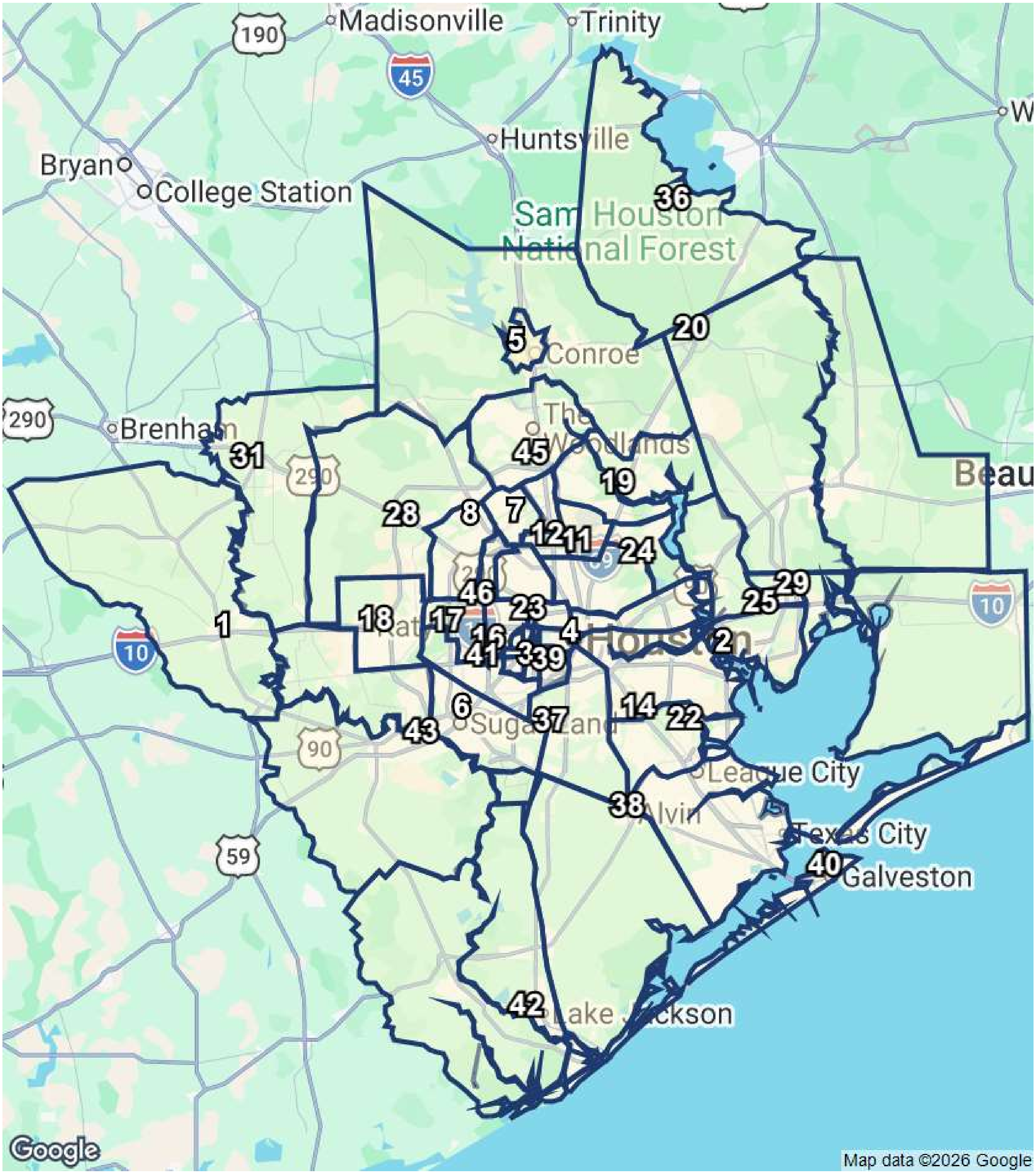


INCOME GROWTH



Source: Oxford Economics

HOUSTON SUBMARKETS



SUBMARKET INVENTORY

		Inventory				12 Month Deliveries				Under Construction			
No.	Submarket	Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Austin County	63	286	0.1%	44	0	0	0%	-	0	0	0%	-
2	Baytown	160	1,865	0.5%	38	1	50	2.7%	12	1	2	0.1%	23
3	Bellaire	97	5,543	1.6%	19	0	0	0%	-	0	0	0%	-
4	CBD	159	52,739	14.8%	1	1	29	0.1%	15	2	40	0.1%	9
5	Conroe	297	3,100	0.9%	29	1	10	0.3%	20	0	0	0%	-
6	E Fort Bend Co/Sugar Land	559	11,324	3.2%	11	19	192	1.7%	5	10	77	0.7%	6
7	FM 1960/Champions	314	4,200	1.2%	26	2	14	0.3%	19	1	7	0.2%	18
8	FM 1960/Hwy 249	590	11,782	3.3%	9	10	286	2.4%	4	0	0	0%	-
9	FM 1960/I-45 North	125	2,431	0.7%	33	0	0	0%	-	0	0	0%	-
10	Galleria/Uptown	62	16,925	4.8%	5	0	0	0%	-	0	0	0%	-
11	Greenspoint/IAH	64	3,100	0.9%	30	0	0	0%	-	0	0	0%	-
12	Greenspoint/N Belt West	109	10,354	2.9%	13	0	0	0%	-	0	0	0%	-
13	Greenway Plaza	267	12,912	3.6%	8	0	0	0%	-	1	6	0%	20
14	Gulf Freeway/Pasadena	766	9,920	2.8%	14	3	104	1.0%	8	1	30	0.3%	12
15	I-10 East	184	1,650	0.5%	39	0	0	0%	-	0	0	0%	-
16	Katy Freeway East	289	13,051	3.7%	6	1	324	2.5%	1	0	0	0%	-
17	Katy Freeway West	284	28,108	7.9%	2	1	3	0%	21	0	0	0%	-
18	Katy/Grand Parkway West	649	7,392	2.1%	16	19	302	4.1%	3	2	32	0.4%	11
19	Kingwood/Humble	315	4,859	1.4%	25	9	166	3.4%	7	1	4	0.1%	21
20	Liberty County	102	420	0.1%	43	0	0	0%	-	0	0	0%	-
21	Midtown	657	11,251	3.2%	12	1	15	0.1%	18	2	338	3.0%	1
22	NASA/Clear Lake	593	11,498	3.2%	10	5	101	0.9%	9	6	55	0.5%	8
23	North Loop West	449	6,871	1.9%	17	0	0	0%	-	1	7	0.1%	19
24	Northeast Near	180	2,104	0.6%	36	0	0	0%	-	1	3	0.1%	22
25	Northeast Outlier	108	1,102	0.3%	41	4	67	6.1%	11	3	18	1.7%	15
26	Northwest Far	143	5,054	1.4%	22	0	0	0%	-	1	38	0.8%	10
27	Northwest Near	64	1,537	0.4%	40	0	0	0%	-	0	0	0%	-
28	Northwest Outlier	485	3,729	1.0%	28	24	192	5.2%	6	13	197	5.3%	2
29	Outlying Chambers County	38	216	0.1%	45	0	0	0%	-	0	0	0%	-
30	Outlying Montgomery Cnty	311	2,061	0.6%	37	2	50	2.4%	13	6	102	4.9%	4
31	Outlying Waller County	34	149	0%	46	0	0	0%	-	0	0	0%	-
32	Post Oak Park	49	4,918	1.4%	23	0	0	0%	-	0	0	0%	-
33	Richmond/Fountainview	119	2,185	0.6%	35	0	0	0%	-	0	0	0%	-
34	Riverway	21	3,052	0.9%	31	0	0	0%	-	0	0	0%	-
35	San Felipe/Voss	46	5,490	1.5%	20	0	0	0%	-	0	0	0%	-
36	San Jacinto County	19	85	0%	47	0	0	0%	-	0	0	0%	-
37	South	378	4,099	1.2%	27	6	26	0.6%	16	8	13	0.3%	16
38	South Hwy 35	186	936	0.3%	42	0	0	0%	-	0	0	0%	-
39	South Main/Medical Center	263	13,023	3.7%	7	0	0	0%	-	3	73	0.6%	7
40	Southeast Outlier	434	4,874	1.4%	24	3	47	1.0%	14	2	26	0.5%	13
41	Southwest Beltway 8	210	7,901	2.2%	15	1	1	0%	22	2	128	1.6%	3
42	Southwest Far	122	2,287	0.6%	34	0	0	0%	-	0	0	0%	-

SUBMARKET INVENTORY

		Inventory				12 Month Deliveries				Under Construction			
No.	Submarket	Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	Southwest Outlier	342	3,045	0.9%	32	14	316	10.4%	2	12	92	3.0%	5
44	Southwest/Hillcroft	107	5,384	1.5%	21	0	0	0%	-	0	0	0%	-
45	The Woodlands	767	25,419	7.2%	3	3	87	0.3%	10	2	9	0%	17
46	West Belt	131	6,650	1.9%	18	3	19	0.3%	17	5	25	0.4%	14
47	Westchase	140	18,292	5.2%	4	0	0	0%	-	0	0	0%	-

SUBMARKET RENT

		Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
No.	Submarket	Per SF	Rank	Growth	Rank	Growth	Rank
1	Austin County	$26.49	24	0.6%	24	0.5%	10
2	Baytown	$24.73	32	0.3%	36	0.3%	14
3	Bellaire	$26.84	22	-0.4%	47	0%	34
4	CBD	$36.74	1	1.1%	4	0.2%	23
5	Conroe	$25.97	27	0.7%	20	0.6%	7
6	E Fort Bend Co/Sugar Land	$28.49	12	0.8%	14	0.2%	21
7	FM 1960/Champions	$19.76	45	-0.1%	44	-0.1%	42
8	FM 1960/Hwy 249	$26.85	21	0%	43	0%	35
9	FM 1960/I-45 North	$21.08	41	0.2%	40	-0.1%	41
10	Galleria/Uptown	$33.97	5	1.7%	1	0.4%	12
11	Greenspoint/IAH	$19.86	44	0.6%	27	0.3%	15
12	Greenspoint/N Belt West	$18.70	47	0.3%	38	-0.9%	47
13	Greenway Plaza	$31.83	7	1.0%	7	0.1%	27
14	Gulf Freeway/Pasadena	$24.03	36	0.7%	22	0%	37
15	I-10 East	$22.25	38	0.2%	39	2.0%	2
16	Katy Freeway East	$36.50	2	1.1%	3	2.1%	1
17	Katy Freeway West	$29.93	11	0.6%	23	-0.3%	44
18	Katy/Grand Parkway West	$30.46	10	0.9%	10	0.9%	3
19	Kingwood/Humble	$26.49	23	0.5%	30	0.5%	9
20	Liberty County	$24.74	31	0.3%	33	0.1%	32
21	Midtown	$31.51	8	-0.1%	45	0%	38
22	NASA/Clear Lake	$25.98	26	0.5%	29	-0.1%	40
23	North Loop West	$25.09	29	1.0%	5	0.4%	11
24	Northeast Near	$24.47	34	0.3%	35	0.2%	22
25	Northeast Outlier	$27.95	14	0.3%	34	0.2%	19
26	Northwest Far	$20.59	43	0.6%	26	-0.1%	43
27	Northwest Near	$21.68	39	0.8%	17	0%	39
28	Northwest Outlier	$30.95	9	0.8%	13	0.7%	5
29	Outlying Chambers County	$25.29	28	-0.3%	46	0.1%	28
30	Outlying Montgomery Cnty	$27.54	17	0.3%	37	0.2%	18
31	Outlying Waller County	$24.08	35	0.8%	15	0.6%	8
32	Post Oak Park	$34.03	4	1.0%	6	0.1%	30
33	Richmond/Fountainview	$21.34	40	0.2%	41	0%	36
34	Riverway	$27.83	16	0.9%	9	0.1%	31
35	San Felipe/Voss	$26.19	25	0.1%	42	0.1%	24
36	San Jacinto County	$23.52	37	1.0%	8	0.7%	4
37	South	$27.95	13	0.9%	12	0.1%	26
38	South Hwy 35	$24.83	30	0.8%	18	0.6%	6
39	South Main/Medical Center	$31.88	6	0.7%	21	0.3%	13
40	Southeast Outlier	$24.68	33	0.7%	19	0.3%	16
41	Southwest Beltway 8	$20.74	42	0.9%	11	-0.6%	46
42	Southwest Far	$26.85	20	0.4%	32	0.1%	29

SUBMARKET RENT

		Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
No.	Submarket	Per SF	Rank	Growth	Rank	Growth	Rank
43	Southwest Outlier	$27.93	15	0.4%	31	0.3%	17
44	Southwest/Hillcroft	$19.24	46	0.8%	16	-0.4%	45
45	The Woodlands	$35.94	3	1.3%	2	0.2%	20
46	West Belt	$27.10	19	0.6%	25	0.1%	25
47	Westchase	$27.45	18	0.5%	28	0%	33

SUBMARKET VACANCY & NET ABSORPTION

		Vacancy			12 Month Absorption			
No.	Submarket	SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Austin County	3,553	1.2%	1	3,047	1.1%	27	-
2	Baytown	218,090	11.7%	19	(71,976)	-3.9%	45	-
3	Bellaire	878,215	15.8%	29	6,038	0.1%	25	-
4	CBD	13,683,522	25.9%	38	203,642	0.4%	8	-
5	Conroe	231,630	7.5%	10	25,222	0.8%	21	0.4
6	E Fort Bend Co/Sugar Land	2,583,534	22.8%	34	190,977	1.7%	9	-
7	FM 1960/Champions	712,655	17.0%	30	(57,868)	-1.4%	40	-
8	FM 1960/Hwy 249	3,061,728	26.0%	39	276,108	2.3%	5	0.4
9	FM 1960/I-45 North	688,894	28.3%	42	4,746	0.2%	26	-
10	Galleria/Uptown	5,827,845	34.4%	45	377,513	2.2%	1	-
11	Greenspoint/IAH	882,887	28.5%	43	6,603	0.2%	24	-
12	Greenspoint/N Belt West	4,160,856	40.2%	46	111,368	1.1%	13	-
13	Greenway Plaza	2,955,657	22.9%	35	(176,090)	-1.4%	46	-
14	Gulf Freeway/Pasadena	1,325,287	13.4%	25	(49,745)	-0.5%	39	-
15	I-10 East	142,655	8.6%	13	(10,226)	-0.6%	36	-
16	Katy Freeway East	1,761,993	13.5%	26	(396,293)	-3.0%	47	-
17	Katy Freeway West	5,356,674	19.1%	31	182,672	0.6%	11	-
18	Katy/Grand Parkway West	782,192	10.6%	15	184,774	2.5%	10	0.8
19	Kingwood/Humble	425,448	8.8%	14	155,536	3.2%	12	1.0
20	Liberty County	24,631	5.9%	8	(863)	-0.2%	32	-
21	Midtown	1,225,616	10.9%	17	2,509	0%	30	6.0
22	NASA/Clear Lake	1,465,179	12.7%	23	92,529	0.8%	15	1.1
23	North Loop West	1,004,726	14.6%	27	104,386	1.5%	14	-
24	Northeast Near	159,094	7.6%	11	(1,753)	-0.1%	33	-
25	Northeast Outlier	74,613	6.8%	9	51,777	4.7%	17	1.3
26	Northwest Far	535,984	10.6%	16	38,584	0.8%	19	-
27	Northwest Near	80,110	5.2%	4	(22,965)	-1.5%	38	-
28	Northwest Outlier	475,094	12.7%	22	71,533	1.9%	16	1.9
29	Outlying Chambers County	-	-	-	0	0%	-	-
30	Outlying Montgomery Cnty	263,518	12.8%	24	23,079	1.1%	22	2.1
31	Outlying Waller County	8,620	5.8%	7	(5,916)	-4.0%	35	-
32	Post Oak Park	1,182,821	24.0%	37	36,307	0.7%	20	-
33	Richmond/Fountainview	256,985	11.8%	20	(14,293)	-0.7%	37	-
34	Riverway	939,426	30.8%	44	(66,897)	-2.2%	43	-
35	San Felipe/Voss	1,540,780	28.1%	41	40,888	0.7%	18	-
36	San Jacinto County	1,624	1.9%	2	2,800	3.3%	28	-
37	South	342,084	8.3%	12	(4,094)	-0.1%	34	-
38	South Hwy 35	34,506	3.7%	3	7,991	0.9%	23	-
39	South Main/Medical Center	1,603,269	12.3%	21	339,465	2.6%	4	-
40	Southeast Outlier	280,717	5.8%	6	(63,899)	-1.3%	42	-
41	Southwest Beltway 8	1,697,094	21.5%	33	268,748	3.4%	6	0
42	Southwest Far	124,139	5.4%	5	2,715	0.1%	29	-

SUBMARKET VACANCY & NET ABSORPTION

		Vacancy			12 Month Absorption			
No.	Submarket	SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
43	Southwest Outlier	463,074	15.2%	28	240,554	7.9%	7	0.9
44	Southwest/Hillcroft	1,044,132	19.4%	32	(69,411)	-1.3%	44	-
45	The Woodlands	2,945,365	11.6%	18	360,335	1.4%	3	-
46	West Belt	1,594,592	24.0%	36	361,312	5.4%	2	0
47	Westchase	4,877,187	26.7%	40	(60,438)	-0.3%	41	-

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	355,145,997	480,893	0.1%	759,325	0.2%	0.6
2029	354,665,104	(304,998)	-0.1%	558,678	0.2%	-
2028	354,970,102	(473,814)	-0.1%	807,938	0.2%	-
2027	355,443,916	(215,529)	-0.1%	938,324	0.3%	-
2026	355,659,445	926,518	0.3%	1,232,903	0.3%	0.8
YTD	355,176,233	443,306	0.1%	611,035	0.2%	0.7
2025	354,732,927	1,605,967	0.5%	2,239,591	0.6%	0.7
2024	353,126,960	983,902	0.3%	(1,207,555)	-0.3%	-
2023	352,143,058	3,065,637	0.9%	1,068,546	0.3%	2.9
2022	349,077,421	1,301,281	0.4%	(1,514,611)	-0.4%	-
2021	347,776,140	3,424,214	1.0%	(161,969)	0%	-
2020	344,351,926	2,931,200	0.9%	(2,387,777)	-0.7%	-
2019	341,420,726	2,113,936	0.6%	601,249	0.2%	3.5
2018	339,306,790	1,820,304	0.5%	168,231	0%	10.8
2017	337,486,486	3,130,379	0.9%	(1,988,931)	-0.6%	-
2016	334,356,107	4,615,395	1.4%	(441,106)	-0.1%	-
2015	329,740,712	12,502,316	3.9%	5,538,532	1.7%	2.3
2014	317,238,396	9,063,558	2.9%	9,049,514	2.9%	1.0

4 & 5 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	147,324,637	1,046,443	0.7%	1,299,121	0.9%	0.8
2029	146,278,194	317,651	0.2%	959,007	0.7%	0.3
2028	145,960,543	132,923	0.1%	1,025,065	0.7%	0.1
2027	145,827,620	323,548	0.2%	1,186,193	0.8%	0.3
2026	145,504,072	840,470	0.6%	1,079,615	0.7%	0.8
YTD	145,167,984	504,382	0.3%	459,032	0.3%	1.1
2025	144,663,602	1,474,258	1.0%	1,854,482	1.3%	0.8
2024	143,189,344	747,406	0.5%	(426,737)	-0.3%	-
2023	142,441,938	1,961,306	1.4%	1,650,410	1.2%	1.2
2022	140,480,632	681,371	0.5%	(1,151,363)	-0.8%	-
2021	139,799,261	2,689,352	2.0%	(1,405,866)	-1.0%	-
2020	137,109,909	1,278,041	0.9%	(2,265,123)	-1.7%	-
2019	135,831,868	1,611,859	1.2%	2,050,130	1.5%	0.8
2018	134,220,009	1,114,297	0.8%	1,068,914	0.8%	1.0
2017	133,105,712	2,621,037	2.0%	(469,770)	-0.4%	-
2016	130,484,675	4,831,430	3.8%	322,237	0.2%	15.0
2015	125,653,245	10,836,266	9.4%	4,949,406	3.9%	2.2
2014	114,816,979	8,119,338	7.6%	7,941,068	6.9%	1.0

3 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	160,791,246	(541,564)	-0.3%	(476,002)	-0.3%	-
2029	161,332,810	(534,708)	-0.3%	(300,244)	-0.2%	-
2028	161,867,518	(495,499)	-0.3%	(106,296)	-0.1%	-
2027	162,363,017	(420,134)	-0.3%	(117,824)	-0.1%	-
2026	162,783,151	181,715	0.1%	355,138	0.2%	0.5
YTD	162,562,033	(39,403)	0%	237,081	0.1%	-
2025	162,601,436	148,985	0.1%	538,965	0.3%	0.3
2024	162,452,451	420,296	0.3%	(565,886)	-0.3%	-
2023	162,032,155	1,110,965	0.7%	(582,880)	-0.4%	-
2022	160,921,190	678,908	0.4%	(174,386)	-0.1%	-
2021	160,242,282	771,492	0.5%	753,230	0.5%	1.0
2020	159,470,790	1,783,992	1.1%	331,680	0.2%	5.4
2019	157,686,798	670,185	0.4%	(957,051)	-0.6%	-
2018	157,016,613	845,488	0.5%	(999,712)	-0.6%	-
2017	156,171,125	888,783	0.6%	(1,137,079)	-0.7%	-
2016	155,282,342	86,150	0.1%	(598,163)	-0.4%	-
2015	155,196,192	1,854,727	1.2%	67,852	0%	27.3
2014	153,341,465	1,055,067	0.7%	645,164	0.4%	1.6

1 & 2 STAR SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	47,030,114	(23,986)	-0.1%	(63,794)	-0.1%	-
2029	47,054,100	(87,941)	-0.2%	(100,085)	-0.2%	-
2028	47,142,041	(111,238)	-0.2%	(110,831)	-0.2%	-
2027	47,253,279	(118,943)	-0.3%	(130,045)	-0.3%	-
2026	47,372,222	(95,667)	-0.2%	(201,850)	-0.4%	-
YTD	47,446,216	(21,673)	0%	(85,078)	-0.2%	-
2025	47,467,889	(17,276)	0%	(153,856)	-0.3%	-
2024	47,485,165	(183,800)	-0.4%	(214,932)	-0.5%	-
2023	47,668,965	(6,634)	0%	1,016	0%	-
2022	47,675,599	(58,998)	-0.1%	(188,862)	-0.4%	-
2021	47,734,597	(36,630)	-0.1%	490,667	1.0%	-
2020	47,771,227	(130,833)	-0.3%	(454,334)	-1.0%	-
2019	47,902,060	(168,108)	-0.3%	(491,830)	-1.0%	-
2018	48,070,168	(139,481)	-0.3%	99,029	0.2%	-
2017	48,209,649	(379,441)	-0.8%	(382,082)	-0.8%	-
2016	48,589,090	(302,185)	-0.6%	(165,180)	-0.3%	-
2015	48,891,275	(188,677)	-0.4%	521,274	1.1%	-
2014	49,079,952	(110,847)	-0.2%	463,282	0.9%	-

OVERALL RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$34.84	138	3.9%	17.4%	66,278,674	18.7%	-0.1%
2029	$33.54	132	4.1%	13.0%	66,541,845	18.8%	-0.2%
2028	$32.23	127	3.9%	8.6%	67,389,831	19.0%	-0.3%
2027	$31.02	122	2.8%	4.5%	68,661,081	19.3%	-0.3%
2026	$30.17	119	1.7%	1.7%	69,804,523	19.6%	-0.1%
YTD	$29.69	117	0.8%	0%	69,928,295	19.7%	-0.1%
2025	$29.68	117	1.1%	0%	70,096,024	19.8%	-0.3%
2024	$29.37	116	1.8%	-1.1%	70,690,876	20.0%	0.6%
2023	$28.85	114	2.7%	-2.8%	68,485,619	19.4%	0.4%
2022	$28.10	111	1.7%	-5.3%	66,488,528	19.0%	0.7%
2021	$27.62	109	0.8%	-7.0%	63,673,836	18.3%	0.9%
2020	$27.39	108	-1.2%	-7.7%	60,089,183	17.4%	1.4%
2019	$27.72	109	2.6%	-6.6%	54,766,606	16.0%	0.3%
2018	$27.02	107	0%	-9.0%	53,250,547	15.7%	0.4%
2017	$27.01	107	-0.2%	-9.0%	51,646,320	15.3%	1.4%
2016	$27.08	107	-2.8%	-8.8%	46,533,818	13.9%	1.3%
2015	$27.84	110	-0.9%	-6.2%	41,484,338	12.6%	1.7%
2014	$28.10	111	3.9%	-5.3%	34,489,878	10.9%	-0.3%

4 & 5 STAR RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$42.55	132	3.3%	17.6%	33,133,343	22.5%	-0.3%
2029	$41.19	127	3.6%	13.8%	33,387,449	22.8%	-0.5%
2028	$39.78	123	3.7%	9.9%	34,030,296	23.3%	-0.6%
2027	$38.36	119	3.2%	6.0%	34,925,158	23.9%	-0.6%
2026	$37.17	115	2.7%	2.7%	35,789,333	24.6%	-0.3%
YTD	$36.21	112	1.2%	0.1%	36,073,242	24.8%	-0.1%
2025	$36.19	112	1.4%	0%	36,027,892	24.9%	-0.5%
2024	$35.68	110	1.9%	-1.4%	36,369,344	25.4%	0.7%
2023	$35.01	108	2.2%	-3.2%	35,181,401	24.7%	-0.1%
2022	$34.25	106	1.9%	-5.3%	34,870,505	24.8%	1.2%
2021	$33.62	104	-0.8%	-7.1%	33,037,771	23.6%	2.5%
2020	$33.88	105	-2.0%	-6.4%	28,942,553	21.1%	2.4%
2019	$34.57	107	4.3%	-4.5%	25,399,389	18.7%	-0.5%
2018	$33.13	102	-0.3%	-8.5%	25,817,260	19.2%	-0.1%
2017	$33.23	103	-1.1%	-8.2%	25,789,222	19.4%	2.0%
2016	$33.60	104	-3.9%	-7.2%	22,698,415	17.4%	2.9%
2015	$34.96	108	-3.2%	-3.4%	18,189,222	14.5%	3.8%
2014	$36.12	112	3.6%	-0.2%	12,277,061	10.7%	-0.6%

Rent & Vacancy

3 STAR RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$30.22	143	4.3%	17.4%	28,646,301	17.8%	0%
2029	$28.96	137	4.5%	12.6%	28,704,200	17.8%	-0.1%
2028	$27.72	131	4.1%	7.7%	28,930,741	17.9%	-0.2%
2027	$26.63	126	2.5%	3.5%	29,316,574	18.1%	-0.1%
2026	$25.99	123	1.0%	1.0%	29,615,615	18.2%	-0.1%
YTD	$25.72	121	0.1%	0%	29,506,177	18.2%	-0.2%
2025	$25.73	122	0.5%	0%	29,782,661	18.3%	-0.3%
2024	$25.61	121	1.6%	-0.5%	30,172,641	18.6%	0.6%
2023	$25.21	119	2.9%	-2.0%	29,186,459	18.0%	0.9%
2022	$24.49	116	1.6%	-4.8%	27,492,614	17.1%	0.5%
2021	$24.10	114	2.4%	-6.3%	26,640,520	16.6%	-0.1%
2020	$23.54	111	-0.6%	-8.5%	26,623,788	16.7%	0.7%
2019	$23.69	112	0.9%	-7.9%	25,167,876	16.0%	1.0%
2018	$23.48	111	0.2%	-8.8%	23,546,365	15.0%	1.1%
2017	$23.44	111	0.6%	-8.9%	21,731,666	13.9%	1.2%
2016	$23.30	110	-1.9%	-9.4%	19,711,399	12.7%	0.4%
2015	$23.76	112	1.1%	-7.6%	19,033,138	12.3%	1.0%
2014	$23.50	111	4.5%	-8.7%	17,242,491	11.2%	0.2%

1 & 2 STAR RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$27.04	150	4.9%	16.2%	4,499,030	9.6%	0.1%
2029	$25.78	143	5.0%	10.8%	4,450,196	9.5%	0.1%
2028	$24.55	136	4.5%	5.5%	4,428,794	9.4%	0%
2027	$23.50	130	2.1%	1.0%	4,419,349	9.4%	0.1%
2026	$23.02	127	-1.0%	-1.0%	4,399,575	9.3%	0.3%
YTD	$23.29	129	1.4%	0.1%	4,348,876	9.2%	0.1%
2025	$23.26	129	1.7%	0%	4,285,471	9.0%	0.3%
2024	$22.87	126	1.9%	-1.7%	4,148,891	8.7%	0.1%
2023	$22.43	124	3.9%	-3.6%	4,117,759	8.6%	0%
2022	$21.58	119	1.7%	-7.2%	4,125,409	8.7%	0.3%
2021	$21.23	117	2.7%	-8.8%	3,995,545	8.4%	-1.1%
2020	$20.67	114	0.6%	-11.1%	4,522,842	9.5%	0.7%
2019	$20.56	114	0.7%	-11.6%	4,199,341	8.8%	0.7%
2018	$20.40	113	1.2%	-12.3%	3,886,922	8.1%	-0.5%
2017	$20.17	112	0.9%	-13.3%	4,125,432	8.6%	0.1%
2016	$20	111	0.1%	-14.1%	4,124,004	8.5%	-0.2%
2015	$19.98	111	3.7%	-14.1%	4,261,978	8.7%	-1.4%
2014	$19.27	107	3.5%	-17.2%	4,970,326	10.1%	-1.1%

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	-	-	-	-	-	-	$245.29	169	9.5%
2029	-	-	-	-	-	-	$234.15	162	9.5%
2028	-	-	-	-	-	-	$220.94	152	9.6%
2027	-	-	-	-	-	-	$206.83	143	9.9%
2026	-	-	-	-	-	-	$198.85	137	9.9%
YTD	65	$78.2M	0.6%	$11,168,686	$70.24	7.6%	$195.51	135	10.0%
2025	1,029	$851.3M	7.5%	$5,037,253	$118.27	7.3%	$194.83	134	9.9%
2024	760	$446.4M	4.6%	$2,146,313	$91.56	7.8%	$190.80	132	9.8%
2023	719	$669.7M	4.5%	$3,762,574	$112.52	7.9%	$198.60	137	9.4%
2022	983	$1.1B	7.4%	$5,383,943	$191.49	6.8%	$219.48	151	8.5%
2021	965	$1.3B	5.5%	$5,015,183	$153.68	7.4%	$225.21	155	7.9%
2020	650	$809.6M	3.0%	$4,762,575	$182.57	7.4%	$221.33	153	8.0%
2019	745	$3.3B	7.0%	$13,622,785	$193.30	8.0%	$219.45	151	8.1%
2018	635	$1.8B	5.2%	$8,561,473	$180.44	7.4%	$219.45	151	7.9%
2017	573	$2.7B	7.7%	$18,205,115	$211.90	7.7%	$218.11	150	7.5%
2016	554	$584.7M	4.3%	$5,084,741	$172.22	7.6%	$229.64	158	7.1%
2015	582	$2.5B	7.2%	$15,994,554	$214.58	7.6%	$235.24	162	6.8%

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4 & 5 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	-	-	-	-	-	-	$324.81	173	8.9%
2029	-	-	-	-	-	-	$311.19	166	9.0%
2028	-	-	-	-	-	-	$294.58	157	9.1%
2027	-	-	-	-	-	-	$275.89	147	9.3%
2026	-	-	-	-	-	-	$263.61	140	9.4%
YTD	4	-	0.1%	-	-	8.5%	$257.23	137	9.4%
2025	62	$528.8M	8.7%	$48,069,911	$133.64	9.0%	$256.34	136	9.4%
2024	36	$204.8M	4.2%	$29,261,134	$97.69	11.7%	$246.65	131	9.4%
2023	25	$442.5M	5.4%	$49,171,924	$114.16	-	$257.18	137	9.0%
2022	43	$608.5M	5.2%	$46,811,210	$230.88	5.1%	$283.18	151	8.1%
2021	26	$697.6M	4.3%	$49,830,790	$204.76	6.8%	$291.78	155	7.5%
2020	15	$457.7M	2.4%	$50,852,952	$218.85	6.7%	$290.43	155	7.6%
2019	30	$2.3B	8.0%	$93,276,441	$234.20	6.9%	$289.59	154	7.6%
2018	26	$1.2B	4.6%	$67,042,950	$235.99	6.9%	$293.61	156	7.3%
2017	50	$2B	11.3%	$90,216,561	$235.29	7.1%	$288.46	154	7.1%
2016	13	$353.5M	3.5%	$88,371,447	$298.24	6.8%	$305.14	162	6.6%
2015	40	$1.7B	8.1%	$65,250,809	$287.91	6.5%	$313.86	167	6.3%

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3 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	-	-	-	-	-	-	$199.22	166	9.6%
2029	-	-	-	-	-	-	$189.77	158	9.7%
2028	-	-	-	-	-	-	$178.73	149	9.8%
2027	-	-	-	-	-	-	$167.53	140	10.0%
2026	-	-	-	-	-	-	$162.23	135	10.1%
YTD	42	$76.8M	1.0%	$19,187,701	$69.81	6.8%	$160.59	134	10.1%
2025	624	$285.8M	7.2%	$2,484,863	$94.88	7.1%	$160.01	133	10.1%
2024	489	$199.8M	5.5%	$1,406,820	$79.13	7.6%	$159.53	133	9.9%
2023	366	$170.9M	3.7%	$1,582,031	$106.54	7.2%	$165.78	138	9.5%
2022	555	$384.5M	9.5%	$3,051,494	$157.08	6.7%	$184.18	154	8.6%
2021	555	$501.2M	6.4%	$3,192,280	$117.79	7.6%	$187.28	156	8.0%
2020	306	$299.3M	3.1%	$3,023,138	$159.46	7.1%	$181.57	151	8.1%
2019	387	$880.2M	6.8%	$5,678,668	$137.74	8.0%	$178.60	149	8.2%
2018	316	$576.2M	5.9%	$4,501,874	$127.40	7.2%	$175.35	146	8.1%
2017	248	$647.6M	5.6%	$9,385,496	$168.31	7.1%	$175.84	147	7.7%
2016	267	$200.1M	4.7%	$2,943,027	$106.49	7.5%	$184.29	154	7.3%
2015	258	$727.1M	6.8%	$10,099,234	$142.87	7.9%	$187.91	157	7.0%

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1 & 2 STAR SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	-	-	-	-	-	-	$158.93	161	10.5%
2029	-	-	-	-	-	-	$149.66	151	10.6%
2028	-	-	-	-	-	-	$139.39	141	10.7%
2027	-	-	-	-	-	-	$129.42	131	10.9%
2026	-	-	-	-	-	-	$125.47	127	11.0%
YTD	19	$1.4M	0.4%	$476,667	$105.65	7.5%	$125.64	127	11.1%
2025	343	$36.8M	5.1%	$855,056	$160.36	7.9%	$125.22	127	11.0%
2024	235	$41.8M	2.6%	$709,097	$164.49	7.9%	$126.42	128	10.8%
2023	328	$56.3M	4.6%	$923,467	$119.41	8.5%	$131.14	133	10.4%
2022	385	$62.2M	6.9%	$1,091,560	$145.64	7.0%	$144.74	146	9.5%
2021	384	$65M	6.0%	$802,558	$115.70	7.1%	$150.70	152	8.6%
2020	329	$52.7M	4.2%	$849,525	$112.90	7.9%	$145.35	147	8.8%
2019	328	$71M	5.0%	$1,163,715	$111.34	8.7%	$144.03	146	8.9%
2018	293	$49.1M	4.8%	$722,679	$94.99	8.4%	$142.79	144	8.7%
2017	275	$62M	4.5%	$1,087,604	$143.39	8.8%	$146.93	149	8.2%
2016	274	$31.1M	4.6%	$724,037	$94.13	7.9%	$153.16	155	7.7%
2015	284	$87.5M	6.0%	$1,482,697	$121.43	8.0%	$155.99	158	7.5%

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