

# HOUSTON INDUSTRIAL MONTHLY MARKET SNAPSHOT | MAY 2022

April's Industrial leasing activity and net absorption break records.

## MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST FOUR MONTHS OF THE YEAR—APRIL 2022 COMPARED TO APRIL 2021.

### VACANCY RATE AT 5.8%

Four months into 2022, overall vacancy in the Houston industrial market has tightened to 5.8%, falling 270 basis points from 8.5% this time last year. Availability is at 9.1%, down 140 basis points from 10.5% in April 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The Houston industrial market has recorded 16.7 million sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at 10.4 million sq. ft., up 236% year-over-year from the slower 3.1 million-sq.-ft.-start in 2021. April 2022 marks the highest amount of leasing activity and net absorption in January through April on record. The Houston metro NNN average asking monthly rent is at \$0.70 per sq. ft., up from \$0.64 this time last year, a 9.5% increase.

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

Notable transactions that contributed to the above-average activity so far in 2022 include CyrusOne's 640,000 sq. ft. flex deal at 11000 Corporate Centre Drive in the Northwest submarket; American Furniture Warehouse signed a lease for 492,262 sq. ft. on River Plantation Drive in Conroe; Meiborg's inked deal for 392,480 sq. ft. in Fairway North Logistics Park in the North Hardy Toll Road submarket; and 341,000 sq. ft. leased to NFI at Cedar Port Phase III in Baytown.

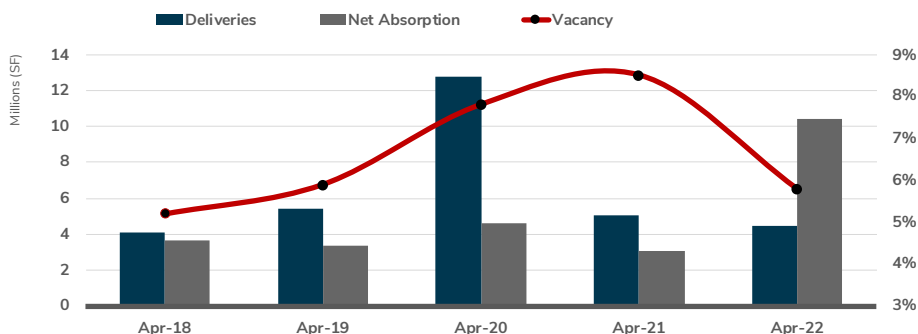
### PORT HOUSTON VOLUME SURGE CONTINUES

Port Houston container volume increased 23% overall as more than 900,000 container TEUs moved through the public facilities over the first three months of 2022, by far the largest quarter ever. Cargo at Port Houston's multi-purpose facility at City Docks is also growing. General Cargo was up 18% in March and 23% year to date. Steel imports are up 131%, and Bagged Goods imports are up 164% year to date through March. Auto units are down 34% for the year.

## MARKET ACTIVITY

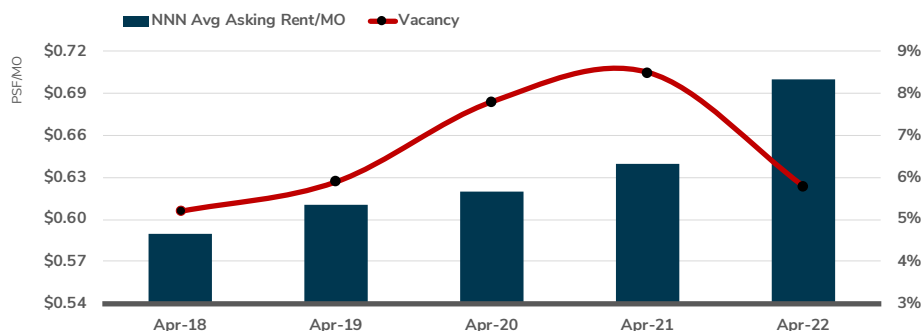
	APRIL 2022	vs	APRIL 2021
Vacancy	5.8%	↓	8.5%
Availability	9.1%	↓	10.5%
Under Construction SF	18,174,037	↓	21,175,273
NNN Avg Asking Rent/MO	\$0.70	↑	\$0.64
Net Absorption SF YTD	10,401,828	↑	3,096,134
Leasing Activity SF YTD	16,654,267	↑	15,643,756
Deliveries SF YTD	4,493,440	↓	5,020,143

## SUPPLY & DEMAND | APRIL - YEAR OVER YEAR



Source: CoStar, NAI Partners Research

## RENT & VACANCY | APRIL - YEAR OVER YEAR



Source: CoStar, NAI Partners Research

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