

# HOUSTON MEDICAL OFFICE MONTHLY MARKET SNAPSHOT | MAY 2022

New state-of-the-art developments put Houston on the global life science and Innovation map.

## MARKET HIGHLIGHTS

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

### VACANCY AT 16.3%

Overall vacancy for medical office space in the Houston market is at 16.3%, up ten basis points from last year at 16.4%. Four months into 2022, medical office space has recorded about 426,000 sq. ft. of leasing activity comprised of both new leases and renewals, while net absorption (move-ins minus move-outs) registered at a positive 138,000 sq. ft., improved year over year from a negative 91,000 sq. ft. So far this year, developments under construction stand at 1.1 million sq. ft., while 208,000 sq. ft. of space has been delivered.

### CENTENNIAL TOWER IN TEXAS MEDICAL CENTER

Houston Methodist Center has started site preparations for a 26-story tower within the Texas Medical Center. The \$1.4 billion tower, dubbed Centennial Tower, will replace Houston Methodist's main building at 6565 Fannin St. Plans have it more than double the size of the existing facility. Completion is set for 2027.

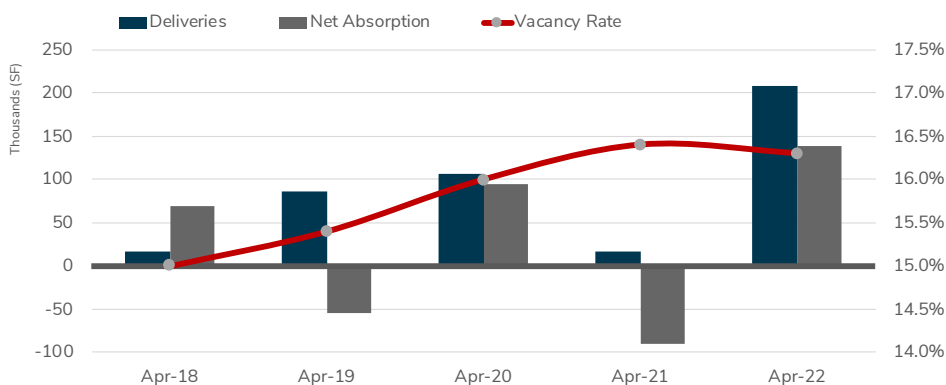
### FIRST PHASE OF LEVIT GREEN TOPPED OUT

Phase one of the development, which broke ground in October 2021, involves a five-story, 294,000-sq.-ft. office building and lab at 3131 Holcombe Blvd., just east of the Texas Medical Center. Levit Green, a 53-acre complex, puts Houston on the global life sciences map. The building is meant exclusively for life sciences research and includes several features that set it apart from traditional office space, including a 100% redundant backup power system. Hines is currently planning the next phase of Levit Green's development.

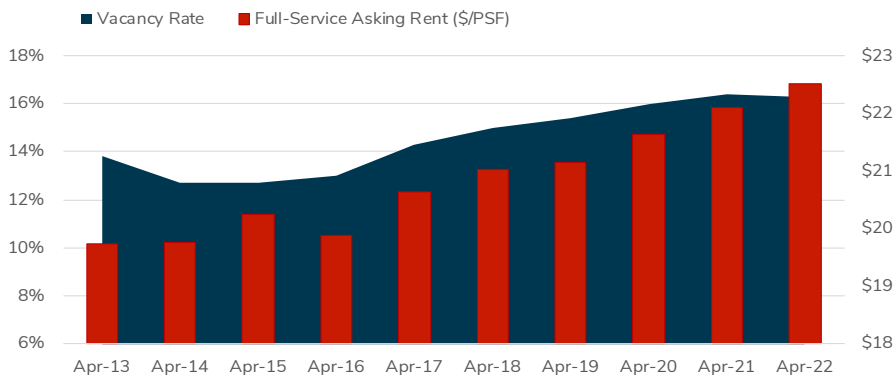
## MARKET ACTIVITY

	APRIL 2022	vs	APRIL 2021
Vacancy	16.3%	↓	16.4%
Availability	21.2%	↑	19.3%
Under Construction SF	1,125,859	↑	883,222
Gross Average Asking Rent	\$26.27	↑	\$25.77
Net Absorption SF YTD	138,051	↑	-91,055
Leasing Activity SF YTD	425,768	↓	658,140
Deliveries SF YTD	207,895	↑	16,000

## SUPPLY & DEMAND | APRIL - YEAR OVER YEAR



## VACANCY & RENT | APRIL - YEAR OVER YEAR



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