

HOUSTON INDUSTRIAL MONTHLY MARKET SNAPSHOT | JUNE 2022

Houston Industrial net absorption skyrockets 127% year-over-year.

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST FIVE MONTHS OF THE YEAR—MAY 2022 COMPARED TO MAY 2021.

VACANCY RATE AT 5.8%

Almost halfway through 2022, overall vacancy in the Houston industrial market is at 5.8%, plummeting 270 basis points from 8.5% this time last year. Availability is at 9.2%, down 130 basis points from 10.5% in May 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The Houston industrial market has recorded 19.2 million sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at 10.6 million sq. ft., up 127% year-over-year from the slower 4.6 million-sq.-ft.-start in 2021. May 2022 marks the second-highest amount of leasing activity and highest net absorption in January through May on record. The Houston metro NNN average asking monthly rent is \$0.71 per sq. ft., up from \$0.64 this time last year, an 11% increase.

RECORD-BREAKING LEASING ACTIVITY CONTINUES IN 2022

Notable transactions that contributed to the above-average activity so far in 2022 include a Houston-based steel supplier JD Fields; and the local division of a China-based chemical firm ZL Chemicals leasing a combined 180,000 sq. ft. of industrial space at Greens Port Industrial Park, a 735-acre development located near Port Houston. The leases were negotiated through a partnership between Steve Pastor of NAI James E. Hanson along with NAI Partners' Gray Gilbert, Chris Haro, and Jack Gilbert representing the property's owner, Kansas-based Watco.

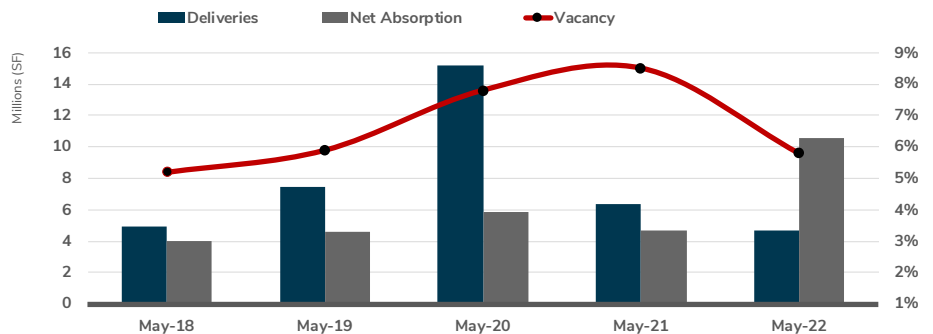
PORT HOUSTON'S YEAR-TO-DATE CONTAINER VOLUME UP 21%

Port Houston saw its busiest April on record, handling a total of 334,493 TEUs for the month. This is a 21% increase over container volumes the same month in 2021 and a 21% increase year-to-date. Year-to-date container volume at Port Houston surpassed 1 million in April. The ongoing surge in container volume is driven primarily by imports as a growing number of importers redesign network strategies that favor Houston as a national hub.

MARKET ACTIVITY

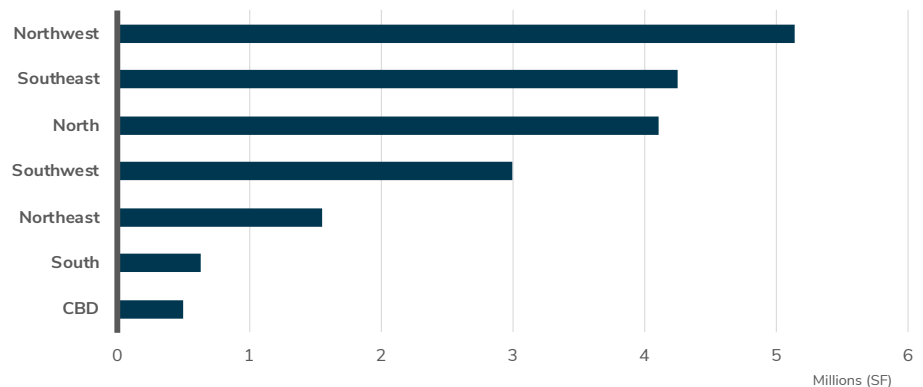
	MAY 2022	vs	MAY 2021
Vacancy	5.8%	↓	8.5%
Availability	9.2%	↓	10.5%
Under Construction SF	19,946,656	↓	21,140,379
NNN Avg Asking Rent/MO	\$0.71	↑	\$0.64
Net Absorption SF YTD	10,561,961	↑	4,648,651
Leasing Activity SF YTD	19,177,716	↓	20,741,479
Deliveries SF YTD	4,661,899	↓	6,392,980

SUPPLY & DEMAND | MAY - YEAR OVER YEAR



Source: CoStar, NAI Partners Research

LEASING | MAY - YEAR TO DATE



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IN-HOUSE BY PARTNERS REAL ESTATE COMPANY