

HOUSTON MEDICAL OFFICE MONTHLY MARKET SNAPSHOT | JUNE 2022

Houston's life science and healthcare infrastructure continue to evolve.

MARKET HIGHLIGHTS

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

VACANCY AT 16.2%

Overall vacancy for medical office space in the Houston market is at 16.2%, down 20 basis points from last year at 16.4%. Five months into 2022, medical office space recorded about 466,000 sq. ft. of leasing activity comprised of both new leases and renewals, while net absorption (move-ins minus move-outs) registered at a positive 153,000 sq. ft., improved year over year from a negative 125,000 sq. ft. So far this year, developments under construction stand at 1.2 million sq. ft., while 208,000 sq. ft. of space has been delivered.

TMC3

Texas Medical Center is scheduled to deliver the first phase of its 37-acre TMC3 collaborative research campus in 2023. The 250,000-sq.-ft. collaborative building will include a large-scale research lab, office space, and a 7,000-sq.-ft. atrium. Six additional industry and research buildings are included in the project's master plan. TMC is working in collaboration with other founding institutions, such as the University of Texas MD Anderson Cancer Center, Texas A&M University Health Sciences Center, and the University of Texas Health Science Center at Houston, to create a world-class life science campus.

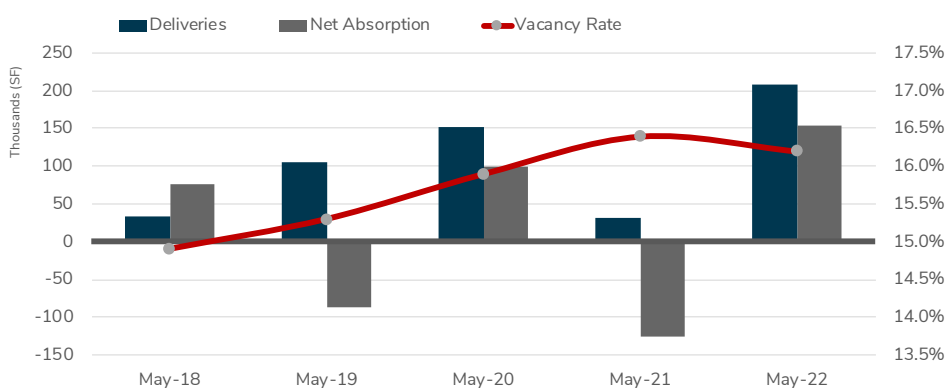
LEVIT GREEN

Hines is slated to complete the first phase of its 53-acre Levit Green life sciences campus this year. The initial five-story building will create 294,000 sq. ft. of space overlooking a plaza and a manmade lake. In time, Hines and its project partners 2ML Real Estate and Harrison Street hope to create roughly 4 million sq. ft. of development on the site located between Hermann Park and Texas 288.

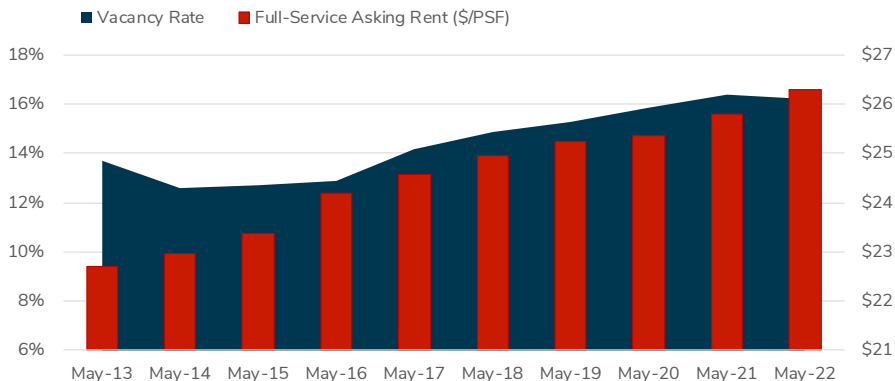
MARKET ACTIVITY

	MAY 2022	vs	MAY 2021
Vacancy	16.2%	↓	16.4%
Availability	21.0%	↑	19.2%
Under Construction SF	1,154,859	↑	883,222
Gross Average Asking Rent	\$26.29	↑	\$25.79
Net Absorption SF YTD	153,324	↑	-125,489
Leasing Activity SF YTD	465,937	↓	846,111
Deliveries SF YTD	207,895	↑	32,000

SUPPLY & DEMAND | MAY - YEAR OVER YEAR



VACANCY & RENT | MAY - YEAR OVER YEAR



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