

Houston Industrial

Monthly Market Snapshot | September 2022

Houston Industrial market posts highest net absorption in January through August on record.

Market Highlights

An analysis of activity during the first eight months of the year—August 2022 compared to August 2021.

Houston industrial vacancy at 5.8%

Eight months into 2022, overall vacancy in the Houston industrial market is at 5.8%, dropping 170 basis points from 7.5% last year. Availability is at 9.9%, down 40 basis points from 10.3% in August 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The Houston industrial market has recorded 32.7 million sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at 18.5 million sq. ft., up 5.6% year-over-year from 17.6 million-sq.-ft. August 2022 marks the second-highest amount of leasing activity and highest net absorption in January through August on record. The Houston metro NNN average asking monthly rent is \$0.72 per sq. ft., up from \$0.64 last year, an 11.7% increase.

Record-breaking leasing activity in 2022

Notable transactions contributing to the above-average activity so far in 2022 include Macy's 908,853-sq.-ft. relocation of its distribution and fulfillment center to the proposed Interchange 249 business park; FedEx's 337,000 sq. ft. deal in Port 10 Logistics Center; Maersk signing a deal for 277,000 sq. ft. in Cedar Port Freezer; Wrist USA leasing 165,864 sq. ft. in Park 225; and Dream Harvest taking 107,548 sq. ft. at 13051 S. Kirkwood Road in Stafford.

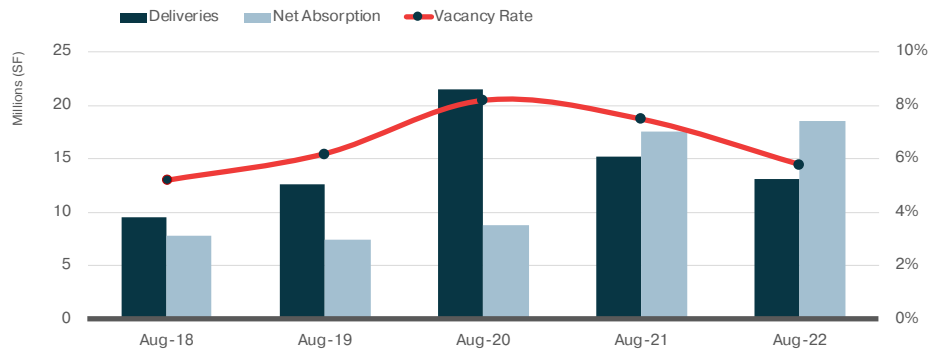
Port Houston posts new record volume

Port Houston recorded its biggest July ever for containers. Total volume in July was 328,498 TEUs, which is 10% more than the same month last year and the fourth-biggest month ever at Port Houston for container volume. Total tonnage at Port Houston's facilities is up 24% for the year through July. General cargo in July was up 26% at 3.5 million tons. Steel imports continue to be strong and were up 48% in July and 92% year-to-date, a positive sign of the energy sector. Auto imports remain sluggish, down 17% for the year so far.

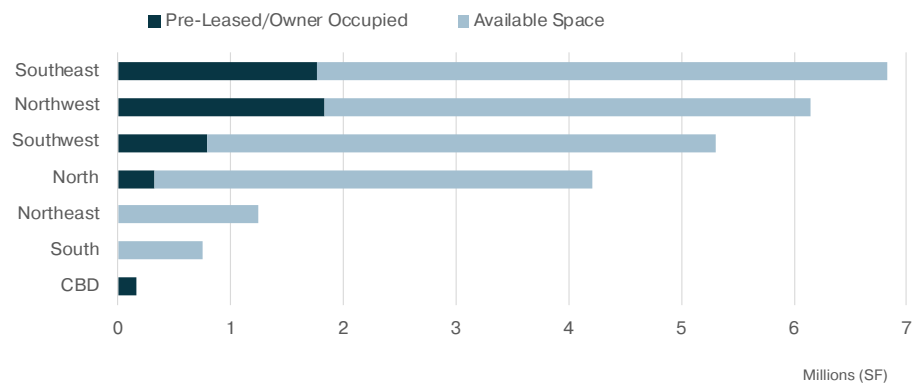
Market Activity

	August 2022	vs	August 2021
Vacancy	5.8%	↓	7.5%
Availability	9.9%	↓	10.3%
Under Construction SF	24,638,735	↑	15,955,223
NNN Avg Asking Rent/MO	\$0.72	↑	\$0.64
Net Absorption SF YTD	18,549,617	↑	17,563,718
Leasing Activity SF YTD	32,701,659	↓	35,532,559
Deliveries SF YTD	13,108,565	↓	15,170,798

Supply & Demand | August - Year Over Year



Construction | August - Year To Date



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