

Houston Medical Office

Monthly Market Snapshot | December 2022

Texas' booming population leads healthcare systems to announce more expansions.

Market Highlights

An analysis of activity during the eleven months of the year—November 2022 compared to November 2021.

Vacancy at 16.7%

The Houston market's vacancy for medical office space is at 16.7%, up 70 basis points from last year at 16.0%. Eleven months into 2022, medical office space recorded 1.1 million sq. ft. of leasing activity comprised of both new leases and renewals, while net absorption (move-ins minus move-outs) registered at a positive 122,000 sq. ft., down 41% from this time last year at positive 207,000 sq. ft. So far this year, developments under construction stand at 2.2 million sq. ft., while 415,000 sq. ft. of space has been delivered.

Development

Pisula Development has completed Vision Park Medical Office Building, a 56,100-sq. ft. healthcare project in Shenandoah. The three-story, \$15.1 million building sits on 3.2 acres. The building is currently 80% leased to tenants such as Physicians Group of The Woodlands and Woodlands Center for Specialty Surgery. In addition, Tannos Development Group has topped out a four-story, 106,000-sq. ft. medical office building in Friendswood. The \$23 million downtown building will be ready for buildout by April.

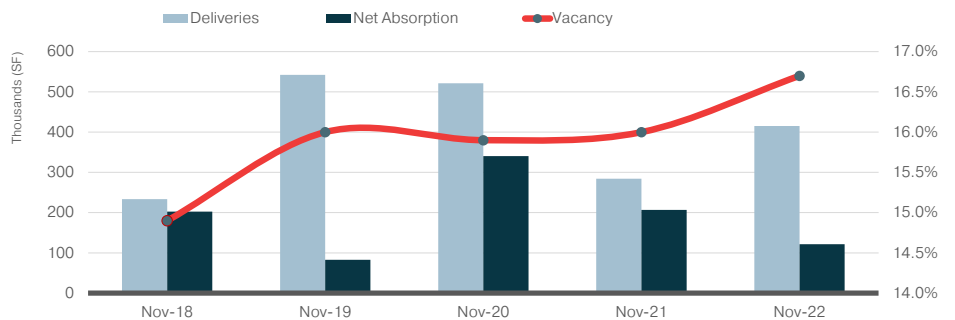
MyCare Medical acquired Jacinto Medical Group

The primary care organization is expanding into Texas by buying a multispecialty physician group with four locations in the greater Houston area. MyCare Medical bought Jacinto Medical Group, which has clinical locations outside Houston and near the Texas Gulf Coast. Jacinto Medical Group has three locations in Baytown and one in La Porte.

Market Activity

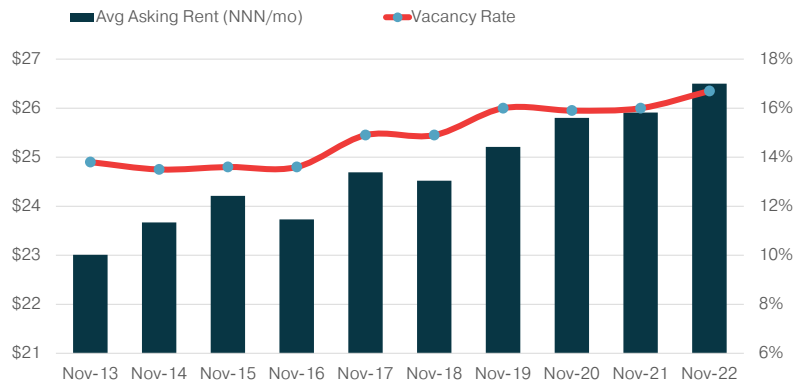
	November 2022	vs	November 2021
Vacancy	16.7%	▲	16.0%
Availability	21.6%	▲	19.3%
Under Construction SF	2,214,957	▲	2,001,638
Gross Average Asking Rent	\$26.50	▲	\$25.91
Net Absorption SF YTD	121,585	▼	206,693
Leasing Activity SF YTD	1,057,875	▼	1,894,138
Deliveries SF YTD	415,022	▲	284,193

Supply & Demand | November - Year Over Year



Source: CoStar, Partners Research

Rent & Vacancy | November - Year Over Year



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