

HOUSTON INDUSTRIAL MONTHLY MARKET SNAPSHOT | AUGUST 2022

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

MARKET HIGHLIGHTS

AN ANALYSIS OF ACTIVITY DURING THE FIRST SEVEN MONTHS OF THE YEAR—JULY 2022 COMPARED TO JULY 2021.

VACANCY RATE AT 5.9%

Over halfway through 2022, overall vacancy in the Houston industrial market is at 5.9%, dropping 160 basis points from 7.5% last year. Availability is at 9.9%, down 50 basis points from 10.4% in July 2021. The difference between this figure and the vacancy rate reflects expected future move-outs. The Houston industrial market has recorded 27.8 million sq. ft. of leasing activity, comprised of new leases and renewals, while net absorption (move-ins minus move-outs) is at 16.3 million sq. ft., up 37% year-over-year from 12 million-sq.-ft. July 2022 marks the second-highest amount of leasing activity and highest net absorption in January through July on record. The Houston metro NNN average asking monthly rent is \$0.71 per sq. ft., up from \$0.64 last year, a 10% increase.

RECORD-BREAKING LEASING ACTIVITY CONTINUES 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; Warehouse Services' 663,821 sq. ft. renewal in Citypark East Industrial; CyrusOne leasing 640,000 sq. ft. in CyrusOne West III at 11000 Corporate Centre Drive; and Performance Team taking 408,510 sq. ft. at 5800 Mesa Drive in the Northeast Highway 90 submarket.

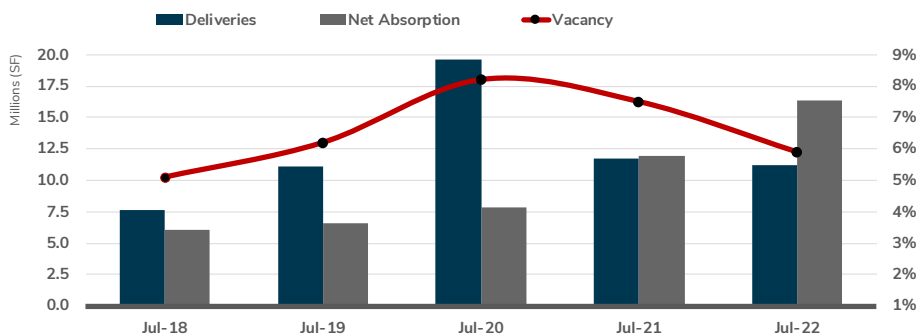
PORT HOUSTON CONTAINER VOLUME NEARING 2M TEU MARK FOR THE YEAR

Year-to-date, Port Houston has handled close to two million TEUs, an 18% increase compared to 2021. June container volume at Port Houston showed double-digit growth, totaling 323,823 TEUs, an 11% increase compared to the same month last year and the largest June ever for containers. It's the fifth month this year with double-digit growth over 2021, a record year for Port Houston's container volume.

MARKET ACTIVITY

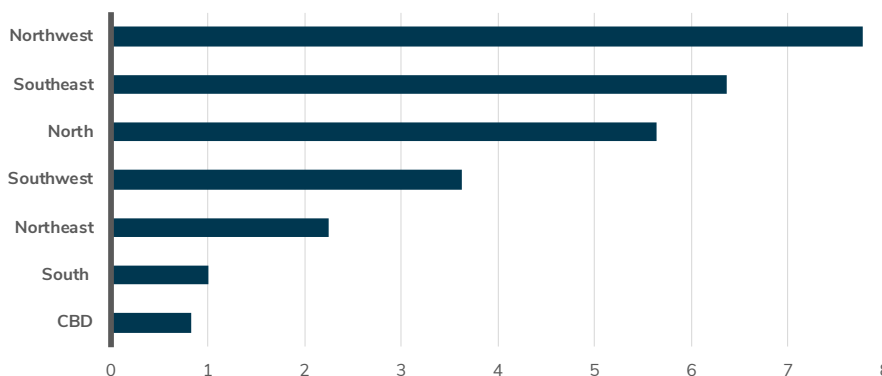
	JULY 2022	vs	JULY 2021
Vacancy	5.9%	↓	7.5%
Availability	9.9%	↓	10.4%
Under Construction SF	22,596,349	↑	16,277,542
NNN Avg Asking Rent/MO	\$0.71	↑	\$0.64
Net Absorption SF YTD	16,321,402	↑	11,950,535
Leasing Activity SF YTD	27,477,056	↓	30,689,390
Deliveries SF YTD	11,221,970	↓	11,772,043

SUPPLY & DEMAND | JULY - YEAR OVER YEAR



Source: CoStar, NAI Partners Research

LEASING | JULY - YEAR TO DATE



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