



# partners **EDGE**

INDUSTRY-LEADING INSIGHTS AND MARKET ANALYSIS

JULY 2023

## **UNDERSTANDING SEASONAL SHIFTS IN TEXAS OFFICE LEASING ACTIVITY HELPS CRE STAKEHOLDERS MAKE MORE INFORMED DECISIONS**

**An analysis of 10,000 office lease transactions in Texas shows a quarterly “U” shape pattern—leasing activity slows in the summer and surges in the first and fourth quarters.**

Patterns are catnip to researchers and forecasters. Their predictability helps us make sense of our world, engendering confidence and a sense of calm—critical mindsets considering most human beings are hardwired as creatures of habit. Commercial real estate—and more specifically, the evaluation of historical office lease transactions—is certainly no stranger to this phenomenon.

After conducting an extensive analysis of nearly 10,000 office lease transactions across the major markets of Texas (Austin, Dallas-Fort Worth, Houston, and San Antonio) over a three-year period, a clear quarterly and seasonal pattern emerges.

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# OFFICE LEASING ACTIVITY CONSISTENTLY PEAKS IN JANUARY AND OCTOBER.

Office leasing activity displays a distinctive pattern throughout the year, taking the form of a “U” shape when observed on a quarterly basis. The first and fourth quarters exhibit a significant surge in both the number of transactions and the square footage leased, surpassing the activity levels of the middle quarters. This pattern can be attributed to various factors, including vacation schedules, holidays, and the commencement of the new fiscal year.

However, a deeper examination of the monthly data uncovers consistent peaks in leasing activity during January and October. These months consistently demonstrate heightened transaction volume, indicating their importance in the overall leasing landscape.

By understanding and recognizing these patterns, stakeholders can make more informed decisions. Whether you are a tenant seeking the most opportune time to lease office space or a landlord looking to optimize your listing’s visibility, considering these quarterly and monthly trends can be instrumental in achieving your objectives.

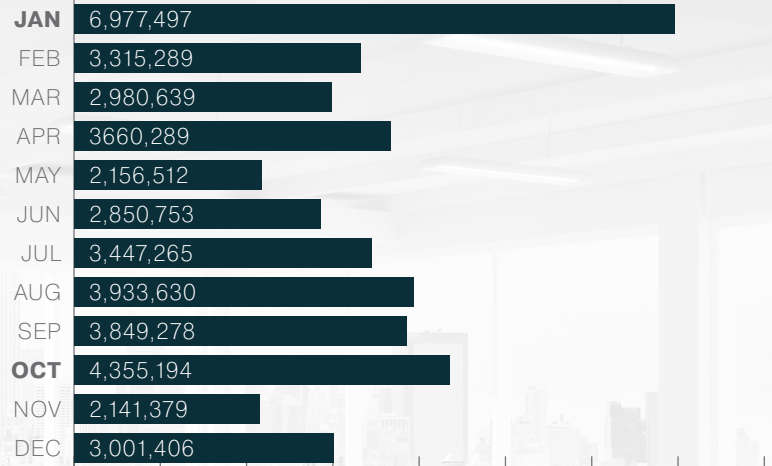
## FOR LANDLORDS

- **Listing positioning:** By comprehending the seasonal fluctuations in leasing activity, you can strategically time the listing of your office space to maximize its exposure to potential tenants. For instance, if you plan to list an office space, it might be advantageous to do so before October, when there is typically a surge in leasing activity for office spaces.
- **Brokerage representation:** If you are unhappy with your current brokerage representation, understanding leasing activity trends can help you choose a new brokerage that is more likely to be successful in leasing your property.

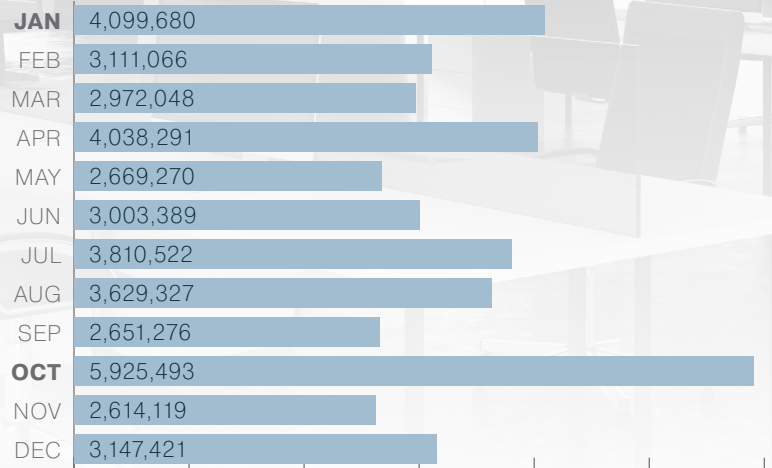
## FOR TENANTS

- **Market timing:** If you are contemplating a relocation and intend to tour and negotiate a lease during the middle months of the year, it is worth noting that deal volume is typically lower during this time period. This can provide tenants with additional leverage in negotiations.
- Additionally, when considering a move in conjunction with a new lease, opting for the middle months of the year can result in a less disruptive experience for businesses. This period aligns with the peak time when employees typically take longer vacations, making it easier to coordinate the transition without major interruptions to daily operations.

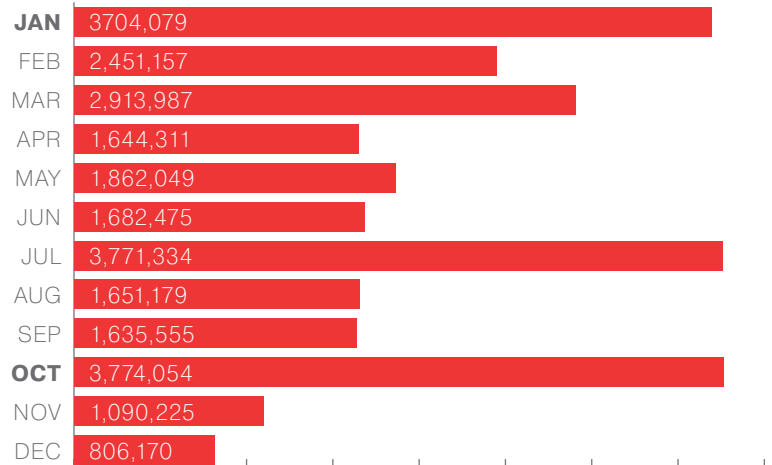
Texas Office Leasing Activity 2020



Texas Office Leasing Activity 2021



Texas Office Leasing Activity 2022



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