



Office Market Report Houston Market

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Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Houston's Vacancy Increases to 16.7% Net Absorption Negative (1,105,254) SF in the Quarter

The Houston Office market ended the first quarter 2018 with a vacancy rate of 16.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,105,254) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 6,596,973 square feet. Rental rates ended the first quarter at \$27.73, an increase over the previous quarter. A total of 22 buildings delivered to the market in the quarter totaling 616,039 square feet, with 2,137,904 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Houston office market was negative (1,105,254) square feet in the first quarter 2018. That compares to positive 540,794 square feet in the fourth quarter 2017, negative (542,915) square feet in the third quarter 2017, and negative (603,074) square feet in the second quarter 2017.

Tenants moving out of large blocks of space in 2018 include: KTI Corporation moving out of 353,150 square feet at Energy Tower II; Cooper Cameron Valves moving out of 100,337 square feet at Reserve at Westchase; and TeleCheck Services, Inc. moving out of 64,703 square feet at Sugar Creek on the Lake.

Tenants moving into large blocks of space in 2018 include: Lonza moving into 250,000 square feet at 14905 Kirby Dr.; United Continental Holdings, Inc. moving into 224,330 square feet at 609 Main at Texas; and CBRE moving into 86,816 square feet at Williams Tower.

The Class-A office market recorded net absorption of

negative (617,300) square feet in the first quarter 2018, compared to positive 236,894 square feet in the fourth quarter 2017, negative (439,345) in the third quarter 2017, and negative (871,165) in the second quarter 2017.

The Class-B office market recorded net absorption of negative (511,593) square feet in the first quarter 2018, compared to positive 315,710 square feet in the fourth quarter 2017, positive 29,077 in the third quarter 2017, and positive 282,955 in the second quarter 2017.

The Class-C office market recorded net absorption of positive 23,639 square feet in the first quarter 2018 compared to negative (11,810) square feet in the fourth quarter 2017, negative (132,647) in the third quarter 2017, and negative (14,864) in the second quarter 2017.

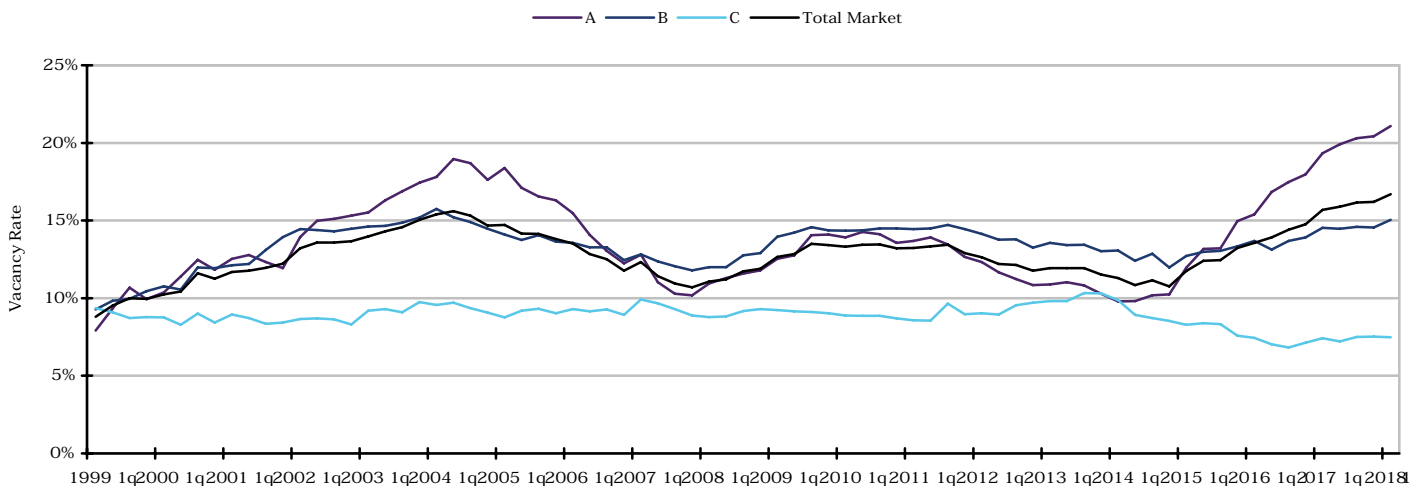
Net absorption for Houston's central business district was negative (542,840) square feet in the first quarter 2018. That compares to negative (79,782) square feet in the fourth quarter 2017, negative (311,797) in the third quarter 2017, and negative (203,190) in the second quarter 2017.

Net absorption for the suburban markets was negative (562,414) square feet in the first quarter 2018. That compares to positive 620,576 square feet in fourth quarter 2017, negative (231,118) in the third quarter 2017, and negative (399,884) in the second quarter 2017.

Vacancy

The office vacancy rate in the Houston market area increased to 16.7% at the end of the first quarter 2018. The vacancy rate was 16.2% at the end of the fourth quarter 2017, 16.1% at the end of the third quarter 2017, and 15.9% at the

Vacancy Rates by Class 1999-2018



Source: CoStar Property®

end of the second quarter 2017.

Class-A projects reported a vacancy rate of 21.1% at the end of the first quarter 2018, 20.4% at the end of the fourth quarter 2017, 20.3% at the end of the third quarter 2017, and 19.9% at the end of the second quarter 2017.

Class-B projects reported a vacancy rate of 15.0% at the end of the first quarter 2018, 14.5% at the end of the fourth quarter 2017, 14.6% at the end of the third quarter 2017, and 14.5% at the end of the second quarter 2017.

Class-C projects reported a vacancy rate of 7.5% at the end of the first quarter 2018, 7.5% at the end of fourth quarter 2017, 7.5% at the end of the third quarter 2017, and 7.2% at the end of the second quarter 2017.

The overall vacancy rate in Houston's central business district at the end of the first quarter 2018 increased to 19.5%. The vacancy rate was 18.4% at the end of the fourth quarter 2017, 18.3% at the end of the third quarter 2017, and 17.6% at the end of the second quarter 2017.

The vacancy rate in the suburban markets increased to 16.2% in the first quarter 2018. The vacancy rate was 15.8% at the end of the fourth quarter 2017, 15.8% at the end of the third quarter 2017, and 15.6% at the end of the second quarter 2017.

Largest Lease Signings

The largest lease signings occurring in 2018 included: the 364,272-square-foot lease signed by Apache Corporation at Post Oak Central One in the West Loop market; the 298,955-square-foot deal signed by Transco at Williams Tower in the West Loop market; and the 150,020-square-foot lease signed by Apache Corporation at Post Oak Central Three in the West Loop market.

Sublease Vacancy

The amount of vacant sublease space in the Houston market increased to 6,596,973 square feet by the end of the

first quarter 2018, from 5,720,059 square feet at the end of the fourth quarter 2017. There was 5,753,599 square feet vacant at the end of the third quarter 2017 and 5,242,382 square feet at the end of the second quarter 2017.

Houston's Class-A projects reported vacant sublease space of 6,014,144 square feet at the end of first quarter 2018, up from the 5,068,752 square feet reported at the end of the fourth quarter 2017. There were 5,094,620 square feet of sublease space vacant at the end of the third quarter 2017, and 4,474,027 square feet at the end of the second quarter 2017.

Class-B projects reported vacant sublease space of 540,796 square feet at the end of the first quarter 2018, down from the 626,454 square feet reported at the end of the fourth quarter 2017. At the end of the third quarter 2017 there were 612,801 square feet, and at the end of the second quarter 2017 there were 631,143 square feet vacant.

Class-C projects reported increased vacant sublease space from the fourth quarter 2017 to the first quarter 2018. Sublease vacancy went from 24,853 square feet to 42,033 square feet during that time. There was 46,178 square feet at the end of the third quarter 2017, and 137,212 square feet at the end of the second quarter 2017.

Sublease vacancy in Houston's central business district stood at 1,588,238 square feet at the end of the first quarter 2018. It was 1,307,406 square feet at the end of the fourth quarter 2017, 1,309,200 square feet at the end of the third quarter 2017, and 901,090 square feet at the end of the second quarter 2017.

Sublease vacancy in the suburban markets ended the first quarter 2018 at 5,008,735 square feet. At the end of the fourth quarter 2017 sublease vacancy was 4,412,653 square feet, was 4,444,399 square feet at the end of the third quarter 2017, and was 4,341,292 square feet at the end of the second quarter 2017.

Rental Rates

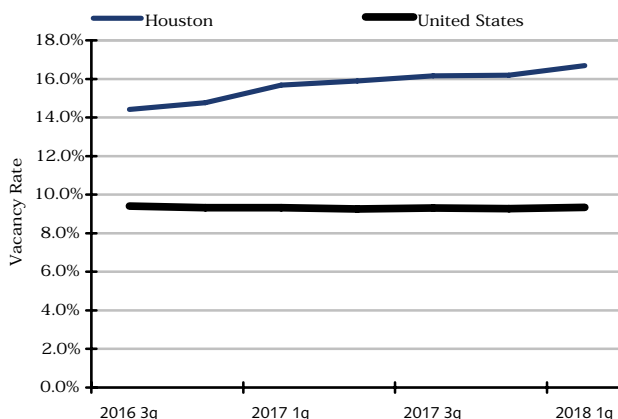
The average quoted asking rental rate for available office space, all classes, was \$27.73 per square foot per year at the end of the first quarter 2018 in the Houston market area. This represented a 0.4% increase in quoted rental rates from the end of the fourth quarter 2017, when rents were reported at \$27.61 per square foot.

The average quoted rate within the Class-A sector was \$33.34 at the end of the first quarter 2018, while Class-B rates stood at \$21.68, and Class-C rates at \$17.77. At the end of the fourth quarter 2017, Class-A rates were \$33.22 per square foot, Class-B rates were \$21.83, and Class-C rates were \$18.10.

The average quoted asking rental rate in Houston's CBD was \$39.12 at the end of the first quarter 2018, and \$25.51 in the suburban markets. In the fourth quarter 2017, quoted rates were \$38.82 in the CBD and \$25.60 in the suburbs.

U.S. Vacancy Comparison

Past 7 Quarters



Source: CoStar Property®

Houston Office Market



Overview

Deliveries and Construction

During the first quarter 2018, 22 buildings totaling 616,039 square feet were completed in the Houston market area. This compares to 17 buildings totaling 782,767 square feet that were completed in the fourth quarter 2017, 17 buildings totaling 308,293 square feet completed in the third quarter 2017, and 375,606 square feet in 22 buildings completed in the second quarter 2017.

There were 2,137,904 square feet of office space under construction at the end of the first quarter 2018.

Some of the notable 2018 deliveries include: 14905 Kirby Dr, a 250,000-square-foot facility that delivered in first quarter 2018 and is now 100% occupied, and The Post Oak, a 104,579-square-foot building that delivered in first quarter 2018 and is now 67% occupied.

The largest projects underway at the end of first quarter 2018 were Capitol Tower, a 778,344-square-foot building with 36% of its space pre-leased, and CityPlace 2, a 326,800-square-foot facility that is 94% pre-leased.

Inventory

Total office inventory in the Houston market area amounted to 325,901,554 square feet in 9,172 buildings as of the end of the first quarter 2018. The Class-A office sector consisted of 144,156,562 square feet in 499 projects. There were 3,866 Class-B buildings totaling 137,653,630 square feet, and the Class-C sector consisted of 44,091,362 square feet in 4,807 buildings. Within the Office market there were 675 owner-occupied buildings accounting for 47,006,708 square feet of office space.

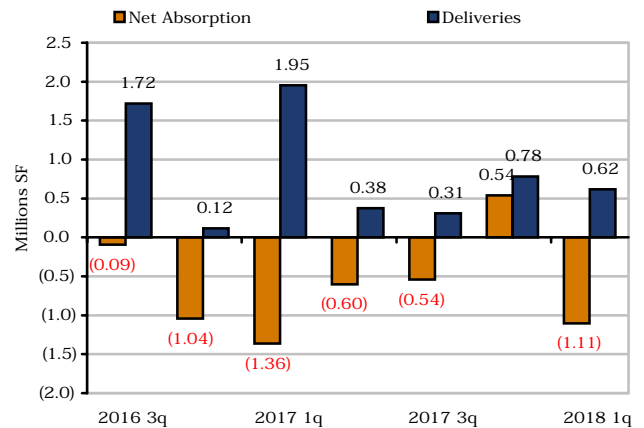
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Houston office sales figures rose during the fourth quarter 2017 in terms of dollar volume compared to the third quarter of 2017.

In the fourth quarter, 11 office transactions closed with a total volume of \$1,032,620,000. The 11 buildings totaled 3,589,161 square feet and the average price per square foot

Absorption & Deliveries

Past 7 Quarters



Source: CoStar Property®

equated to \$287.71 per square foot. That compares to five transactions totaling \$339,500,000 in the third quarter 2017. The total square footage in the third quarter was 960,622 square feet for an average price per square foot of \$353.42.

Total office building sales activity in 2017 was up compared to 2016. In the twelve months of 2017, the market saw 38 office sales transactions with a total volume of \$2,528,717,044. The price per square foot averaged \$247.08. In the same twelve months of 2016, the market posted 20 transactions with a total volume of \$519,450,000. The price per square foot averaged \$219.48.

Cap rates have been higher in 2017, averaging 7.53% compared to the same period in 2016 when they averaged 6.45%.

One of the largest transactions that has occurred within the last four quarters in the Houston market is the sale of Marathon Oil Tower in Houston. This 1,197,300-square-foot office building sold for \$176,500,000, or \$147.42 per square foot. The property sold on 1/31/2018, at a 7.4% cap rate.

Reports compiled by: CJ Dyson, CoStar Research Manager

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets
Austin County	Austin County
Baytown	Baytown
Bellaire	Bellaire
Conroe	Conroe
Downtown	CBD* Midtown
E Fort Bend Co/Sugar Land	E Fort Bend Co/Sugar Land
FM1960	FM1960/Champions FM1960/Hwy 249 FM1960/I-45 North
Greenway Plaza	Greenway Plaza
Gulf Freeway/Pasadena	Gulf Freeway/Pasadena
I-10 East	I-10 East
Katy Freeway	Katy Freeway East Katy Freeway West
Katy/Grand Parkway West	Katy/Grand Parkway West
Kingwood/Humble	Kingwood/Humble
Liberty County	Liberty County
NASA/Clear Lake	NASA/Clear Lake
North Belt	Greenspoint/IAH Greenspoint/N Belt West
Northeast Near	Northeast Near
Northeast Outlier	Northeast Outlier
Northwest	North Loop West Northwest Far Northwest Near
Northwest Outlier	Northwest Outlier
Outlying Chambers County	Outlying Chambers County
Outlying Montgomery Cnty	Outlying Montgomery Cnty
Outlying Waller County	Outlying Waller County
Richmond/Fountainview	Richmond/Fountainview
San Felipe/Voss	San Felipe/Voss
San Jacinto County	San Jacinto County
South	South
South Hwy 35	South Hwy 35
South Main/Medical Center	South Main/Medical Center
Southeast Outlier	Southeast Outlier
Southwest	Southwest Beltway 8 Southwest/Hillcroft
Southwest Far	Southwest Far
Southwest Outlier	Southwest Outlier
The Woodlands	The Woodlands
West Belt	West Belt
West Loop	Galleria/Uptown Post Oak Park Riverway
Westchase	Westchase

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

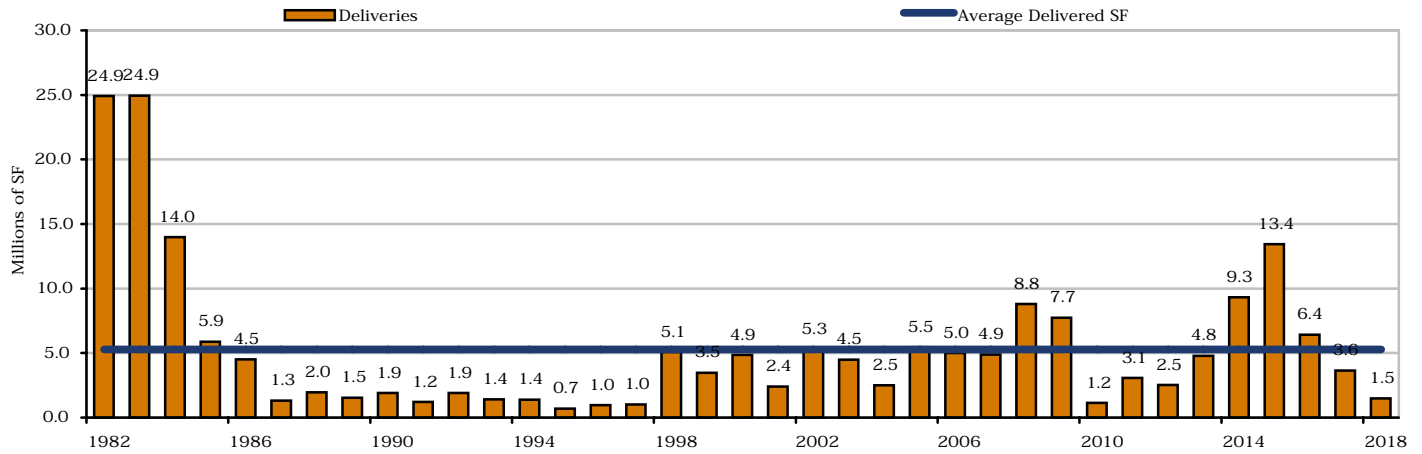
Houston Office Market



Inventory & development

Historical Deliveries

1982 - 2018



Source: CoStar Property® * Future deliveries based on current under construction buildings.

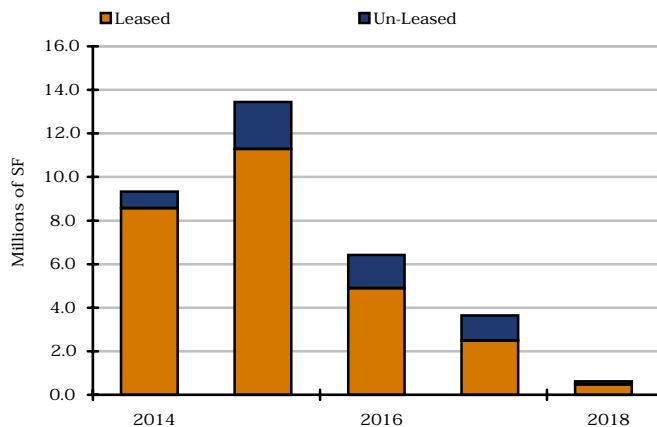
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Downtown	1	778,344	280,204	36.0%	86,852	778,344
The Woodlands	4	716,300	685,192	95.7%	34,102	179,075
E Fort Bend Co/Sugar Land	4	113,771	12,826	11.3%	24,899	28,443
Katy Freeway	3	112,774	46,353	41.1%	77,370	37,591
FM 1960	9	100,085	44,434	44.4%	20,374	11,121
Kingwood/Humble	1	100,000	0	0.0%	15,699	100,000
South	1	50,000	25,000	50.0%	12,522	50,000
Katy/Grand Parkway West	6	30,500	13,429	44.0%	15,572	5,083
Outlying Montgomery Cnty	2	26,952	0	0.0%	8,004	13,476
Northwest	2	25,020	13,159	52.6%	23,158	12,510
All Other	13	84,158	56,229	66.8%	33,075	6,474
Totals	46	2,137,904	1,176,826	55.0%	35,532	46,476

Source: CoStar Property®

Recent Deliveries

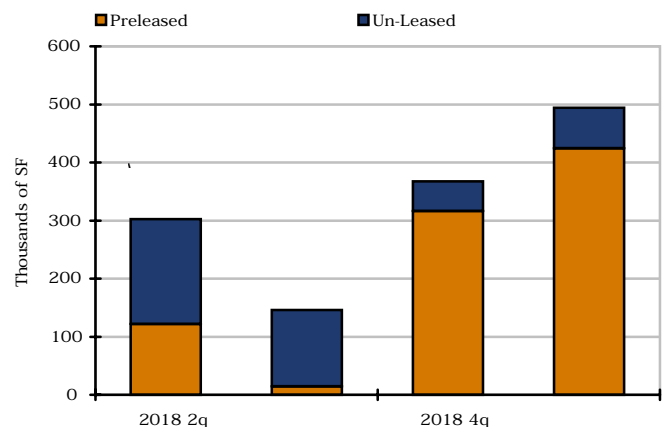
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

Future Deliveries

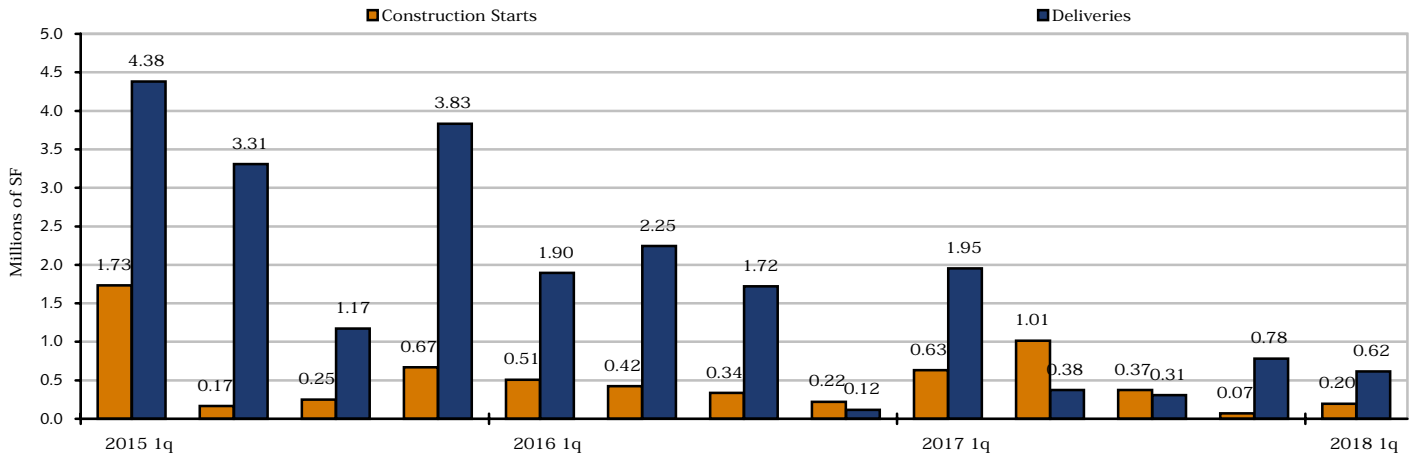
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	20	194,215	76,980	39.6%	\$29.14	10,987	183,228
50,000 SF - 99,999 SF	1	72,045	67,002	93.0%	\$25.69	0	72,045
100,000 SF - 249,999 SF	1	104,579	70,068	67.0%	\$53.52	0	104,579
250,000 SF - 499,999 SF	1	250,000	250,000	100.0%	\$0.00	250,000	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

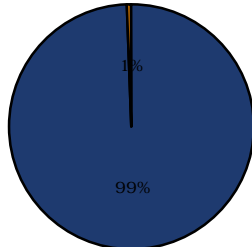
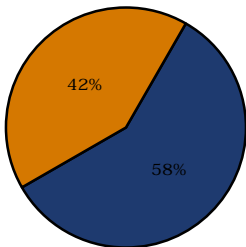
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

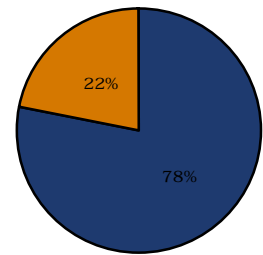
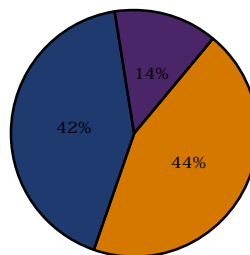
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

Houston Office Market



Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. Lonza Houston Submarket: South RBA: 250,000 # Floors: 1 Class: A Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2016 Deliv Date: First Quarter 2018 Leasing Co: Pinchal & Company Developer: N/A Architect: N/A	2. The Post Oak Submarket: West Loop RBA: 104,579 # Floors: 36 Class: A Occupied: 67% Quoted Rate: \$53.52 Grnd Brk Date: Fourth Quarter 2015 Deliv Date: First Quarter 2018 Leasing Co: JLL Developer: Tellepsen Builders Architect: Gensler & Associates Architects	3. Grandway West - Bldg 4 Submarket: Katy/Grand Parkway West RBA: 72,045 # Floors: 2 Class: A Occupied: 93% Quoted Rate: \$25.69 Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A
4. 8917 Louetta Rd Submarket: FM 1960 RBA: 43,600 # Floors: 4 Class: B Occupied: 28% Quoted Rate: \$28.33 Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Newcor Commercial Real Estate Developer: N/A Architect: N/A	5. 1439 Highway 6 Submarket: E Fort Bend Co/Sugar Land RBA: 20,225 # Floors: 2 Class: B Occupied: 55% Quoted Rate: Negotiable Grnd Brk Date: 2017 Deliv Date: First Quarter 2018 Leasing Co: Colliers International Developer: N/A Architect: N/A	6. 12440 EMILY Ct - UNIT # 403 Submarket: E Fort Bend Co/Sugar Land RBA: 20,000 # Floors: 1 Class: B Occupied: 1% Quoted Rate: \$28.33 Grnd Brk Date: Third Quarter 2015 Deliv Date: First Quarter 2018 Leasing Co: Jessica Realty Developer: N/A Architect: N/A
7. Greenwood Place Submarket: Conroe RBA: 18,000 # Floors: 1 Class: B Occupied: 7% Quoted Rate: \$28.24 Grnd Brk Date: N/A Deliv Date: First Quarter 2018 Leasing Co: KW Commercial Developer: N/A Architect: N/A	8. The White Heron Bldg. Submarket: Gulf Freeway/Pasadena RBA: 10,304 # Floors: 2 Class: B Occupied: 27% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: New Hyde Park, Inc. Developer: N/A Architect: N/A	9. Mainland Medical Office Condos Submarket: Southeast Outlier RBA: 10,070 # Floors: 1 Class: B Occupied: 50% Quoted Rate: \$29.53 Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Newcor Investments Developer: N/A Architect: N/A
10. The Woodlands Pain Institute Submarket: The Woodlands RBA: 10,000 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: MHW Real Estate, Inc. Developer: N/A Architect: N/A	11. Telfair Medical Plaza Submarket: E Fort Bend Co/Sugar Land RBA: 8,400 # Floors: 1 Class: B Occupied: 43% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2015 Deliv Date: First Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A	12. 29900 Aldine Westfield Rd Submarket: The Woodlands RBA: 7,864 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Foldetta Commercial Developer: N/A Architect: N/A
13. Woodgrove Office Park - Building 12 Submarket: The Woodlands RBA: 4,900 # Floors: 1 Class: B Occupied: 0% Quoted Rate: Negotiable Grnd Brk Date: Third Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Carnan Properties Developer: N/A Architect: N/A	14. Cross Ridge Office Condominiums - Bldg. 4 Submarket: Katy/Grand Parkway West RBA: 4,900 # Floors: 1 Class: B Occupied: 76% Quoted Rate: \$24.50 Grnd Brk Date: Fourth Quarter 2016 Deliv Date: First Quarter 2018 Leasing Co: SHB Development LLC Developer: N/A Architect: N/A	15. MedExpress Ground Lease Submarket: Gulf Freeway/Pasadena RBA: 4,800 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: 2017 Deliv Date: Second Quarter 2018 Leasing Co: Dimension Development Partners Developer: N/A Architect: N/A



Houston Office Market

Inventory & development

Select Top Under Construction Properties

Based on Project Square Footage

1. Capitol Tower Submarket: Downtown RBA: 778,344 # Floors: 35 Class: A Preleased: 36% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: Second Quarter 2019 Leasing Co: SCD Acquisitions LLC. Developer: SCD Acquisitions LLC. Architect: Gensler	2. CityPlace 2 Submarket: The Woodlands RBA: 326,800 # Floors: 10 Class: A Preleased: 94% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: Fourth Quarter 2018 Leasing Co: JLL Developer: Barker Patrinely Group, Inc Architect: Gensler & Associates Architects	3. HP Building 1 Submarket: The Woodlands RBA: 189,000 # Floors: 4 Class: A Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2017 Deliv Date: First Quarter 2019 Leasing Co: Patrinely Group, LLC Developer: Patrinely Group, LLC Architect: N/A
4. HP Building 2 Submarket: The Woodlands RBA: 189,000 # Floors: 5 Class: A Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2017 Deliv Date: First Quarter 2019 Leasing Co: Patrinely Group, LLC Developer: Patrinely Group, LLC Architect: N/A	5. Hedwig Place Submarket: Katy Freeway RBA: 102,474 # Floors: 1 Class: A Preleased: 45% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2018 Deliv Date: First Quarter 2019 Leasing Co: Stream Realty Partners, L.P. Developer: Stream Realty Partners, L.P. Architect: E4H	6. Northeast Medical Tower II Submarket: Kingwood/Humble RBA: 100,000 # Floors: 4 Class: A Preleased: 0% Quoted Rate: \$26.00 Grnd Brk Date: Second Quarter 2017 Deliv Date: Third Quarter 2018 Leasing Co: Health Trust of America, Inc. Developer: N/A Architect: N/A
7. 8520 Broadway St Submarket: South RBA: 50,000 # Floors: 2 Class: B Preleased: 50% Quoted Rate: \$28.49 Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Jacob Realty Group Developer: N/A Architect: N/A	8. 7619 Branford Place Submarket: E Fort Bend Co/Sugar Land RBA: 38,599 # Floors: 2 Class: B Preleased: 0% Quoted Rate: \$30.33 Grnd Brk Date: Second Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A	9. Egrets Landing Submarket: E Fort Bend Co/Sugar Land RBA: 30,852 # Floors: 2 Class: A Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: InSite Commercial Real Estate Developer: E Contractors USA LLC Architect: N/A
10. 12002 S Highway 6 Submarket: E Fort Bend Co/Sugar Land RBA: 23,520 # Floors: 2 Class: B Preleased: 28% Quoted Rate: \$28.31 Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Ghanshyam K & Kumud G Patel Developer: N/A Architect: N/A	11. Old Conroe Rd And FM 1488 Submarket: Outlying Montgomery Cnty RBA: 21,952 # Floors: 1 Class: B Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2018 Deliv Date: Fourth Quarter 2018 Leasing Co: Kimball Ward Development Developer: N/A Architect: N/A	12. 13310 University Blvd Submarket: E Fort Bend Co/Sugar Land RBA: 20,800 # Floors: 2 Class: B Preleased: 30% Quoted Rate: \$31.33 Grnd Brk Date: First Quarter 2018 Deliv Date: First Quarter 2018 Leasing Co: ICO Commercial Developer: N/A Architect: N/A
13. Heights Central Submarket: Northwest RBA: 15,000 # Floors: 3 Class: B Preleased: 59% Quoted Rate: \$40.00 Grnd Brk Date: 2016 Deliv Date: Second Quarter 2018 Leasing Co: NewQuest Properties Developer: N/A Architect: N/A	14. Strack Business Park Submarket: FM 1960 RBA: 13,600 # Floors: 1 Class: B Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2018 Deliv Date: First Quarter 2019 Leasing Co: N/A Developer: N/A Architect: N/A	15. Spectrum Medical Professional Building Submarket: Conroe RBA: 13,000 # Floors: 1 Class: B Preleased: 50% Quoted Rate: \$20.50 Grnd Brk Date: Third Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Pulmonary Critical Care & Sleep Ass Developer: N/A Architect: N/A

Houston Office Market



Figures at a Glance

Class A Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	0	0	0	0	0.0%	0	0	0	\$0.00
Baytown	0	0	0	0	0.0%	0	0	0	\$0.00
Bellaire	8	1,475,481	183,300	189,173	12.8%	6,552	0	0	\$24.40
Conroe	2	128,832	18,422	18,422	14.3%	0	0	0	\$27.63
Downtown	49	36,490,317	5,726,819	7,249,208	19.9%	(562,374)	0	778,344	\$41.04
E Fort Bend Co/Sugar.	20	3,773,331	290,905	466,002	12.3%	(161,280)	0	30,852	\$26.35
FM 1960	20	4,042,649	412,644	420,770	10.4%	(25,867)	0	0	\$26.87
Greenway Plaza	22	7,520,681	1,234,405	1,286,372	17.1%	60,022	0	0	\$36.35
Gulf Freeway/Pasaden.	1	22,706	0	0	0.0%	0	0	0	\$0.00
I-10 East	0	0	0	0	0.0%	0	0	0	\$0.00
Katy Freeway	98	24,663,577	3,696,555	5,953,774	24.1%	(499,398)	0	102,474	\$32.35
Katy/Grand Parkway W	24	2,238,637	563,023	586,225	26.2%	58,961	72,045	0	\$27.58
Kingwood/Humble	3	189,312	33,875	33,875	17.9%	(24,482)	0	100,000	\$26.55
Liberty County	0	0	0	0	0.0%	0	0	0	\$0.00
NASA/Clear Lake	17	2,124,080	238,025	250,682	11.8%	20,508	0	0	\$26.41
North Belt	25	5,515,181	3,016,365	3,268,231	59.3%	43,231	0	0	\$22.64
Northeast Near	3	640,700	28,057	28,057	4.4%	4,526	0	0	\$0.00
Northeast Outlier	2	47,650	3,000	3,000	6.3%	(3,000)	0	0	\$0.00
Northwest	10	2,037,781	680,029	683,703	33.6%	26,035	0	0	\$23.47
Northwest Outlier	1	165,754	100,911	100,911	60.9%	7,543	0	0	\$30.23
Outlying Chambers Co.	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery	2	146,000	111,000	111,000	76.0%	0	0	0	\$0.00
Outlying Waller Coun.	0	0	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	0	0	0	0	0.0%	0	0	0	\$0.00
San Felipe/Voss	3	1,720,793	475,744	475,744	27.6%	(28,312)	0	0	\$35.84
San Jacinto County	0	0	0	0	0.0%	0	0	0	\$0.00
South	5	643,548	31,182	31,182	4.8%	248,525	250,000	0	\$28.48
South Hwy 35	0	0	0	0	0.0%	0	0	0	\$0.00
South Main/Medical C.	14	4,462,086	218,678	228,041	5.1%	(2,159)	0	0	\$34.27
Southeast Outlier	2	186,382	11,643	11,643	6.2%	11,000	0	0	\$0.00
Southwest	9	2,053,918	471,406	500,569	24.4%	18,028	0	0	\$19.07
Southwest Far	2	158,720	19,737	19,737	12.4%	0	0	0	\$0.00
Southwest Outlier	1	98,862	44,392	44,392	44.9%	0	0	0	\$26.50
The Woodlands	43	11,303,768	1,057,928	1,114,790	9.9%	82,975	0	704,800	\$32.70
West Belt	30	4,380,333	614,043	917,276	20.9%	(28,183)	0	0	\$28.73
West Loop	49	17,920,115	3,229,945	3,836,417	21.4%	280,287	104,579	0	\$37.58
Westchase	34	10,005,368	1,875,243	2,572,224	25.7%	(150,438)	0	0	\$32.36
Totals	499	144,156,562	24,387,276	30,401,420	21.1%	(617,300)	426,624	1,716,470	\$33.34

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class B Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	12	149,928	0	0	0.0%	0	0	0	\$0.00
Baytown	42	1,066,001	79,181	79,181	7.4%	(14,908)	0	6,003	\$22.58
Bellaire	37	2,735,699	234,923	237,014	8.7%	19,274	0	0	\$23.99
Conroe	75	1,316,042	145,300	150,019	11.4%	(1,222)	18,000	13,000	\$24.11
Downtown	200	19,288,792	3,185,977	3,279,073	17.0%	(91,269)	0	0	\$28.44
E Fort Bend Co/Sugar.	275	5,200,355	444,104	490,007	9.4%	975	63,625	82,919	\$25.29
FM 1960	401	8,471,474	1,379,460	1,410,423	16.6%	(81,032)	45,787	100,085	\$19.15
Greenway Plaza	49	4,036,979	460,593	466,851	11.6%	(69,238)	0	0	\$26.66
Gulf Freeway/Pasaden.	195	4,415,683	623,405	633,960	14.4%	(11,982)	10,304	8,500	\$22.88
I-10 East	27	643,836	103,124	103,124	16.0%	(2,729)	0	0	\$15.33
Katy Freeway	217	12,330,936	2,157,773	2,253,416	18.3%	(84,697)	4,320	10,300	\$21.28
Katy/Grand Parkway W.	271	3,216,575	122,862	135,030	4.2%	(455)	4,900	30,500	\$28.90
Kingwood/Humble	94	2,315,742	167,273	169,027	7.3%	(21,006)	0	0	\$25.46
Liberty County	12	92,060	948	948	1.0%	2,534	0	0	\$0.00
NASA/Clear Lake	240	6,241,697	1,327,240	1,327,723	21.3%	66,339	0	7,400	\$19.49
North Belt	75	6,602,542	1,853,712	1,882,732	28.5%	(85,415)	0	0	\$15.77
Northeast Near	33	694,205	77,633	77,633	11.2%	4,469	0	0	\$19.58
Northeast Outlier	41	621,745	42,420	42,420	6.8%	(2,537)	0	0	\$24.47
Northwest	165	6,875,548	1,049,486	1,061,450	15.4%	(76,951)	0	25,020	\$19.57
Northwest Outlier	104	1,016,732	104,156	104,156	10.2%	(587)	7,000	20,555	\$24.29
Outlying Chambers Co.	6	22,672	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	80	900,972	78,715	78,715	8.7%	6,595	0	26,952	\$23.89
Outlying Waller Coun.	5	25,686	2,800	2,800	10.9%	(2,800)	0	0	\$0.00
Richmond/Fountainvie.	29	1,048,984	153,178	153,178	14.6%	(14,187)	0	0	\$17.46
San Felipe/Voss	36	3,504,373	603,638	627,827	17.9%	(64,183)	0	0	\$24.31
San Jacinto County	1	27,261	0	0	0.0%	0	0	0	\$0.00
South	94	1,553,829	158,629	158,629	10.2%	(7,125)	0	50,000	\$26.22
South Hwy 35	37	370,039	8,224	8,224	2.2%	5,790	0	0	\$15.69
South Main/Medical C.	72	5,924,249	194,025	203,985	3.4%	504	0	0	\$26.23
Southeast Outlier	116	2,677,394	291,913	291,913	10.9%	(19,086)	10,070	10,000	\$20.93
Southwest	130	7,782,805	1,392,759	1,398,161	18.0%	(99,281)	0	0	\$16.40
Southwest Far	35	935,242	247,870	247,870	26.5%	8,606	0	0	\$24.24
Southwest Outlier	86	1,184,444	146,178	148,738	12.6%	7,072	2,645	1,200	\$24.44
The Woodlands	387	7,985,076	769,831	848,004	10.6%	43,311	22,764	11,500	\$25.78
West Belt	56	2,320,818	355,512	381,447	16.4%	58,221	0	17,500	\$22.96
West Loop	58	6,262,273	811,685	825,732	13.2%	(2,984)	0	0	\$26.33
Westchase	73	7,794,942	1,393,926	1,429,839	18.3%	18,391	0	0	\$19.29
Totals	3,866	137,653,630	20,168,453	20,709,249	15.0%	(511,593)	189,415	421,434	\$21.68

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class C Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	28	105,431	8,028	8,028	7.6%	(1,350)	0	0	\$15.81
Baytown	93	599,124	29,957	33,957	5.7%	33,809	0	0	\$18.24
Bellaire	44	760,884	52,984	52,984	7.0%	(1,723)	0	0	\$19.37
Conroe	180	1,163,237	88,892	88,892	7.6%	(21,300)	0	0	\$17.33
Downtown	442	4,235,507	275,087	275,087	6.5%	9,252	0	0	\$23.30
E Fort Bend Co/Sugar.	101	886,251	45,034	45,034	5.1%	1,915	0	0	\$20.71
FM 1960	334	2,868,175	361,672	362,320	12.6%	(20,591)	0	0	\$16.00
Greenway Plaza	206	1,538,577	93,864	93,864	6.1%	11,229	0	0	\$23.13
Gulf Freeway/Pasaden.	422	3,429,820	368,307	368,307	10.7%	(19,040)	0	0	\$16.93
I-10 East	104	666,830	50,217	50,217	7.5%	(6,431)	0	0	\$18.11
Katy Freeway	203	3,082,889	156,370	179,634	5.8%	(27,881)	0	0	\$20.47
Katy/Grand Parkway W.	96	633,399	32,840	32,840	5.2%	23,250	0	0	\$20.20
Kingwood/Humble	122	932,967	89,244	89,244	9.6%	(3,510)	0	0	\$18.99
Liberty County	55	254,230	7,600	7,600	3.0%	2,676	0	0	\$13.74
NASA/Clear Lake	261	2,079,966	191,525	191,525	9.2%	11,532	0	0	\$18.08
North Belt	72	1,867,771	468,342	471,099	25.2%	(16,528)	0	0	\$12.70
Northeast Near	109	902,516	28,969	28,969	3.2%	15,318	0	0	\$18.14
Northeast Outlier	41	219,570	9,270	9,270	4.2%	2,697	0	0	\$16.11
Northwest	342	3,059,462	147,611	147,611	4.8%	13,680	0	0	\$16.39
Northwest Outlier	120	499,162	43,550	48,514	9.7%	2,514	0	0	\$19.67
Outlying Chambers Co.	13	31,729	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	97	385,655	13,381	13,381	3.5%	2,805	0	0	\$19.07
Outlying Waller Coun.	16	86,705	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	86	1,108,399	32,415	32,415	2.9%	(8,595)	0	0	\$16.21
San Felipe/Voss	10	114,791	5,084	5,084	4.4%	4,341	0	0	\$26.00
San Jacinto County	2	11,878	0	0	0.0%	0	0	0	\$0.00
South	149	908,072	62,236	62,236	6.9%	37,678	0	0	\$14.28
South Hwy 35	111	426,890	29,471	29,471	6.9%	(1,892)	0	0	\$19.07
South Main/Medical C.	148	2,879,341	90,169	96,569	3.4%	(3,375)	0	0	\$20.50
Southeast Outlier	219	1,448,232	122,943	122,943	8.5%	(11,895)	0	0	\$16.12
Southwest	162	3,141,898	175,820	175,820	5.6%	(1,294)	0	0	\$15.28
Southwest Far	53	337,983	4,340	4,340	1.3%	2,400	0	0	\$20.34
Southwest Outlier	115	450,981	34,296	34,296	7.6%	3,194	0	0	\$16.90
The Woodlands	175	1,343,053	81,997	81,997	6.1%	(12,675)	0	0	\$23.78
West Belt	20	212,243	0	0	0.0%	0	0	0	\$16.50
West Loop	26	523,201	8,352	8,352	1.6%	(800)	0	0	\$21.85
Westchase	30	894,543	44,271	44,271	4.9%	4,229	0	0	\$16.17
Totals	4,807	44,091,362	3,254,138	3,296,171	7.5%	23,639	0	0	\$17.77

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Total Office Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	40	255,359	8,028	8,028	3.1%	(1,350)	0	0	\$15.81
Baytown	135	1,665,125	109,138	113,138	6.8%	18,901	0	6,003	\$21.24
Bellaire	89	4,972,064	471,207	479,171	9.6%	24,103	0	0	\$23.90
Conroe	257	2,608,111	252,614	257,333	9.9%	(22,522)	18,000	13,000	\$22.44
Downtown	691	60,014,616	9,187,883	10,803,368	18.0%	(644,391)	0	778,344	\$38.06
E Fort Bend Co/Sugar.	396	9,859,937	780,043	1,001,043	10.2%	(158,390)	63,625	113,771	\$25.50
FM 1960	755	15,382,298	2,153,776	2,193,513	14.3%	(127,490)	45,787	100,085	\$20.06
Greenway Plaza	277	13,096,237	1,788,862	1,847,087	14.1%	2,013	0	0	\$33.16
Gulf Freeway/Pasaden.	618	7,868,209	991,712	1,002,267	12.7%	(31,022)	10,304	8,500	\$20.52
I-10 East	131	1,310,666	153,341	153,341	11.7%	(9,160)	0	0	\$16.06
Katy Freeway	518	40,077,402	6,010,698	8,386,824	20.9%	(611,976)	4,320	112,774	\$27.96
Katy/Grand Parkway W.	391	6,088,611	718,725	754,095	12.4%	81,756	76,945	30,500	\$27.34
Kingwood/Humble	219	3,438,021	290,392	292,146	8.5%	(48,998)	0	100,000	\$24.19
Liberty County	67	346,290	8,548	8,548	2.5%	5,210	0	0	\$13.74
NASA/Clear Lake	518	10,445,743	1,756,790	1,769,930	16.9%	98,379	0	7,400	\$20.42
North Belt	172	13,985,494	5,338,419	5,622,062	40.2%	(58,712)	0	0	\$19.58
Northeast Near	145	2,237,421	134,659	134,659	6.0%	24,313	0	0	\$18.80
Northeast Outlier	84	888,965	54,690	54,690	6.2%	(2,840)	0	0	\$22.42
Northwest	517	11,972,791	1,877,126	1,892,764	15.8%	(37,236)	0	25,020	\$20.76
Northwest Outlier	225	1,681,648	248,617	253,581	15.1%	9,470	7,000	20,555	\$25.82
Outlying Chambers Co.	19	54,401	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	179	1,432,627	203,096	203,096	14.2%	9,400	0	26,952	\$22.86
Outlying Waller Coun.	21	112,391	2,800	2,800	2.5%	(2,800)	0	0	\$0.00
Richmond/Fountainvie.	115	2,157,383	185,593	185,593	8.6%	(22,782)	0	0	\$17.31
San Felipe/Voss	49	5,339,957	1,084,466	1,108,655	20.8%	(88,154)	0	0	\$29.24
San Jacinto County	3	39,139	0	0	0.0%	0	0	0	\$0.00
South	248	3,105,449	252,047	252,047	8.1%	279,078	250,000	50,000	\$24.04
South Hwy 35	148	796,929	37,695	37,695	4.7%	3,898	0	0	\$17.66
South Main/Medical C.	234	13,265,676	502,872	528,595	4.0%	(5,030)	0	0	\$27.54
Southeast Outlier	337	4,312,008	426,499	426,499	9.9%	(19,981)	10,070	10,000	\$19.75
Southwest	301	12,978,621	2,039,985	2,074,550	16.0%	(82,547)	0	0	\$16.94
Southwest Far	90	1,431,945	271,947	271,947	19.0%	11,006	0	0	\$23.77
Southwest Outlier	202	1,734,287	224,866	227,426	13.1%	10,266	2,645	1,200	\$23.96
The Woodlands	605	20,631,897	1,909,756	2,044,791	9.9%	113,611	22,764	716,300	\$28.40
West Belt	106	6,913,394	969,555	1,298,723	18.8%	30,038	0	17,500	\$26.85
West Loop	133	24,705,589	4,049,982	4,670,501	18.9%	276,503	104,579	0	\$35.60
Westchase	137	18,694,853	3,313,440	4,046,334	21.6%	(127,818)	0	0	\$27.35
Totals	9,172	325,901,554	47,809,867	54,406,840	16.7%	(1,105,254)	616,039	2,137,904	\$27.73

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class A Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	0	0	0	0	0.0%	0	0	0	\$0.00
Baytown	0	0	0	0	0.0%	0	0	0	\$0.00
Bellaire	8	1,475,481	183,300	189,173	12.8%	6,552	0	0	\$24.40
CBD	38	33,842,503	5,217,416	6,731,310	19.9%	(490,618)	0	778,344	\$41.74
Conroe	2	128,832	18,422	18,422	14.3%	0	0	0	\$27.63
E Fort Bend Co/Sugar.	20	3,773,331	290,905	466,002	12.3%	(161,280)	0	30,852	\$26.35
FM 1960/Champions	2	214,500	12,600	12,600	5.9%	(8,900)	0	0	\$16.17
FM 1960/Hwy 249	16	3,621,444	353,906	362,032	10.0%	(25,341)	0	0	\$28.00
FM 1960/I-45 North	2	206,705	46,138	46,138	22.3%	8,374	0	0	\$24.19
Galleria/Uptown	35	13,416,434	1,967,714	2,466,298	18.4%	264,295	104,579	0	\$38.40
Greenspoint/IAH	8	1,213,677	532,530	532,530	43.9%	25,270	0	0	\$20.69
Greenspoint/N Belt W.	17	4,301,504	2,483,835	2,735,701	63.6%	17,961	0	0	\$22.92
Greenway Plaza	22	7,520,681	1,234,405	1,286,372	17.1%	60,022	0	0	\$36.35
Gulf Freeway/Pasaden.	1	22,706	0	0	0.0%	0	0	0	\$0.00
I-10 East	0	0	0	0	0.0%	0	0	0	\$0.00
Katy Freeway East	26	5,817,926	820,849	977,443	16.8%	(83,574)	0	102,474	\$37.31
Katy Freeway West	72	18,845,651	2,875,706	4,976,331	26.4%	(415,824)	0	0	\$30.90
Katy/Grand Parkway W.	24	2,238,637	563,023	586,225	26.2%	58,961	72,045	0	\$27.58
Kingwood/Humble	3	189,312	33,875	33,875	17.9%	(24,482)	0	100,000	\$26.55
Liberty County	0	0	0	0	0.0%	0	0	0	\$0.00
Midtown	11	2,647,814	509,403	517,898	19.6%	(71,756)	0	0	\$31.90
NASA/Clear Lake	17	2,124,080	238,025	250,682	11.8%	20,508	0	0	\$26.41
North Loop West	6	1,240,544	355,777	355,777	28.7%	17,379	0	0	\$26.33
Northeast Near	3	640,700	28,057	28,057	4.4%	4,526	0	0	\$0.00
Northeast Outlier	2	47,650	3,000	3,000	6.3%	(3,000)	0	0	\$0.00
Northwest Far	4	797,237	324,252	327,926	41.1%	8,656	0	0	\$19.50
Northwest Near	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Outlier	1	165,754	100,911	100,911	60.9%	7,543	0	0	\$30.23
Outlying Chambers Co.	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery	2	146,000	111,000	111,000	76.0%	0	0	0	\$0.00
Outlying Waller Coun.	0	0	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	9	2,617,868	841,749	934,430	35.7%	3,594	0	0	\$37.66
Richmond/Fountainvie.	0	0	0	0	0.0%	0	0	0	\$0.00
Riverway	5	1,885,813	420,482	435,689	23.1%	12,398	0	0	\$32.92
San Felipe/Voss	3	1,720,793	475,744	475,744	27.6%	(28,312)	0	0	\$35.84
San Jacinto County	0	0	0	0	0.0%	0	0	0	\$0.00
South	5	643,548	31,182	31,182	4.8%	248,525	250,000	0	\$28.48
South Hwy 35	0	0	0	0	0.0%	0	0	0	\$0.00
South Main/Medical C.	14	4,462,086	218,678	228,041	5.1%	(2,159)	0	0	\$34.27
Southeast Outlier	2	186,382	11,643	11,643	6.2%	11,000	0	0	\$0.00
Southwest Beltway	3	566,699	103,013	103,013	18.2%	1,301	0	0	\$20.26
Southwest Far	2	158,720	19,737	19,737	12.4%	0	0	0	\$0.00
Southwest Outlier	1	98,862	44,392	44,392	44.9%	0	0	0	\$26.50
Southwest/Hillcroft	6	1,487,219	368,393	397,556	26.7%	16,727	0	0	\$18.80
The Woodlands	43	11,303,768	1,057,928	1,114,790	9.9%	82,975	0	704,800	\$32.70
West Belt	30	4,380,333	614,043	917,276	20.9%	(28,183)	0	0	\$28.73
Westchase	34	10,005,368	1,875,243	2,572,224	25.7%	(150,438)	0	0	\$32.36
Totals	499	144,156,562	24,387,276	30,401,420	21.1%	(617,300)	426,624	1,716,470	\$33.34

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class B Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	12	149,928	0	0	0.0%	0	0	0	\$0.00
Baytown	42	1,066,001	79,181	79,181	7.4%	(14,908)	0	6,003	\$22.58
Bellaire	37	2,735,699	234,923	237,014	8.7%	19,274	0	0	\$23.99
CBD	61	14,925,921	2,921,600	2,995,944	20.1%	(50,753)	0	0	\$28.59
Conroe	75	1,316,042	145,300	150,019	11.4%	(1,222)	18,000	13,000	\$24.11
E Fort Bend Co/Sugar.	275	5,200,355	444,104	490,007	9.4%	975	63,625	82,919	\$25.29
FM 1960/Champions	122	2,852,926	481,688	482,701	16.9%	49,466	43,600	43,504	\$15.92
FM 1960/Hwy 249	216	3,814,603	410,563	439,063	11.5%	(16,861)	2,187	56,581	\$22.99
FM 1960/I-45 North	63	1,803,945	487,209	488,659	27.1%	(113,637)	0	0	\$18.57
Galleria/Uptown	24	3,290,437	336,556	348,047	10.6%	24,260	0	0	\$27.45
Greenspoint/IAH	21	1,638,936	237,506	237,506	14.5%	4,223	0	0	\$16.13
Greenspoint/N Belt W.	54	4,963,606	1,616,206	1,645,226	33.1%	(89,638)	0	0	\$15.69
Greenway Plaza	49	4,036,979	460,593	466,851	11.6%	(69,238)	0	0	\$26.66
Gulf Freeway/Pasaden.	195	4,415,683	623,405	633,960	14.4%	(11,982)	10,304	8,500	\$22.88
I-10 East	27	643,836	103,124	103,124	16.0%	(2,729)	0	0	\$15.33
Katy Freeway East	83	3,639,745	319,562	341,334	9.4%	7,265	0	0	\$18.97
Katy Freeway West	134	8,691,191	1,838,211	1,912,082	22.0%	(91,962)	4,320	10,300	\$21.74
Katy/Grand Parkway W	271	3,216,575	122,862	135,030	4.2%	(455)	4,900	30,500	\$28.90
Kingwood/Humble	94	2,315,742	167,273	169,027	7.3%	(21,006)	0	0	\$25.46
Liberty County	12	92,060	948	948	1.0%	2,534	0	0	\$0.00
Midtown	139	4,362,871	264,377	283,129	6.5%	(40,516)	0	0	\$27.82
NASA/Clear Lake	240	6,241,697	1,327,240	1,327,723	21.3%	66,339	0	7,400	\$19.49
North Loop West	101	3,405,240	457,740	469,704	13.8%	(7,702)	0	25,020	\$23.57
Northeast Near	33	694,205	77,633	77,633	11.2%	4,469	0	0	\$19.58
Northeast Outlier	41	621,745	42,420	42,420	6.8%	(2,537)	0	0	\$24.47
Northwest Far	45	2,671,814	523,981	523,981	19.6%	(66,258)	0	0	\$15.98
Northwest Near	19	798,494	67,765	67,765	8.5%	(2,991)	0	0	\$18.32
Northwest Outlier	104	1,016,732	104,156	104,156	10.2%	(587)	7,000	20,555	\$24.29
Outlying Chambers Co.	6	22,672	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	80	900,972	78,715	78,715	8.7%	6,595	0	26,952	\$23.89
Outlying Waller Coun.	5	25,686	2,800	2,800	10.9%	(2,800)	0	0	\$0.00
Post Oak Park	20	1,932,447	305,472	305,472	15.8%	(21,105)	0	0	\$24.32
Richmond/Fountainvie.	29	1,048,984	153,178	153,178	14.6%	(14,187)	0	0	\$17.46
Riverway	14	1,039,389	169,657	172,213	16.6%	(6,139)	0	0	\$25.61
San Felipe/Voss	36	3,504,373	603,638	627,827	17.9%	(64,183)	0	0	\$24.31
San Jacinto County	1	27,261	0	0	0.0%	0	0	0	\$0.00
South	94	1,553,829	158,629	158,629	10.2%	(7,125)	0	50,000	\$26.22
South Hwy 35	37	370,039	8,224	8,224	2.2%	5,790	0	0	\$15.69
South Main/Medical C.	72	5,924,249	194,025	203,985	3.4%	504	0	0	\$26.23
Southeast Outlier	116	2,677,394	291,913	291,913	10.9%	(19,086)	10,070	10,000	\$20.93
Southwest Beltway 8	100	5,764,980	1,004,964	1,010,366	17.5%	(57,934)	0	0	\$17.18
Southwest Far	35	935,242	247,870	247,870	26.5%	8,606	0	0	\$24.24
Southwest Outlier	86	1,184,444	146,178	148,738	12.6%	7,072	2,645	1,200	\$24.44
Southwest/Hillcroft	30	2,017,825	387,795	387,795	19.2%	(41,347)	0	0	\$14.28
The Woodlands	387	7,985,076	769,831	848,004	10.6%	43,311	22,764	11,500	\$25.78
West Belt	56	2,320,818	355,512	381,447	16.4%	58,221	0	17,500	\$22.96
Westchase	73	7,794,942	1,393,926	1,429,839	18.3%	18,391	0	0	\$19.29
Totals	3,866	137,653,630	20,168,453	20,709,249	15.0%	(511,593)	189,415	421,434	\$21.68

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class C Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	28	105,431	8,028	8,028	7.6%	(1,350)	0	0	\$15.81
Baytown	93	599,124	29,957	33,957	5.7%	33,809	0	0	\$18.24
Bellaire	44	760,884	52,984	52,984	7.0%	(1,723)	0	0	\$19.37
CBD	60	1,725,956	117,767	117,767	6.8%	(1,469)	0	0	\$21.01
Conroe	180	1,163,237	88,892	88,892	7.6%	(21,300)	0	0	\$17.33
E Fort Bend Co/Sugar.	101	886,251	45,034	45,034	5.1%	1,915	0	0	\$20.71
FM 1960/Champions	127	1,279,130	197,627	198,275	15.5%	(9,698)	0	0	\$14.97
FM 1960/Hwy 249	166	1,108,712	43,208	43,208	3.9%	(447)	0	0	\$16.15
FM 1960/I-45 North	41	480,333	120,837	120,837	25.2%	(10,446)	0	0	\$18.52
Galleria/Uptown	7	132,598	0	0	0.0%	0	0	0	\$0.00
Greenspoint/IAH	26	281,683	6,900	6,900	2.4%	2,475	0	0	\$9.49
Greenspoint/N Belt W.	46	1,586,088	461,442	464,199	29.3%	(19,003)	0	0	\$12.76
Greenway Plaza	206	1,538,577	93,864	93,864	6.1%	11,229	0	0	\$23.13
Gulf Freeway/Pasaden.	422	3,429,820	368,307	368,307	10.7%	(19,040)	0	0	\$16.93
I-10 East	104	666,830	50,217	50,217	7.5%	(6,431)	0	0	\$18.11
Katy Freeway East	151	2,295,258	93,069	99,159	4.3%	3,632	0	0	\$21.08
Katy Freeway West	52	787,631	63,301	80,475	10.2%	(31,513)	0	0	\$19.59
Katy/Grand Parkway W.	96	633,399	32,840	32,840	5.2%	23,250	0	0	\$20.20
Kingwood/Humble	122	932,967	89,244	89,244	9.6%	(3,510)	0	0	\$18.99
Liberty County	55	254,230	7,600	7,600	3.0%	2,676	0	0	\$13.74
Midtown	382	2,509,551	157,320	157,320	6.3%	10,721	0	0	\$25.01
NASA/Clear Lake	261	2,079,966	191,525	191,525	9.2%	11,532	0	0	\$18.08
North Loop West	228	1,469,826	59,280	59,280	4.0%	7,783	0	0	\$18.03
Northeast Near	109	902,516	28,969	28,969	3.2%	15,318	0	0	\$18.14
Northeast Outlier	41	219,570	9,270	9,270	4.2%	2,697	0	0	\$16.11
Northwest Far	81	953,864	54,849	54,849	5.8%	2,400	0	0	\$15.43
Northwest Near	33	635,772	33,482	33,482	5.3%	3,497	0	0	\$16.24
Northwest Outlier	120	499,162	43,550	48,514	9.7%	2,514	0	0	\$19.67
Outlying Chambers Co.	13	31,729	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	97	385,655	13,381	13,381	3.5%	2,805	0	0	\$19.07
Outlying Waller Coun.	16	86,705	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	14	225,329	8,352	8,352	3.7%	(800)	0	0	\$0.00
Richmond/Fountainvie.	86	1,108,399	32,415	32,415	2.9%	(8,595)	0	0	\$16.21
Riverway	5	165,274	0	0	0.0%	0	0	0	\$21.85
San Felipe/Voss	10	114,791	5,084	5,084	4.4%	4,341	0	0	\$26.00
San Jacinto County	2	11,878	0	0	0.0%	0	0	0	\$0.00
South	149	908,072	62,236	62,236	6.9%	37,678	0	0	\$14.28
South Hwy 35	111	426,890	29,471	29,471	6.9%	(1,892)	0	0	\$19.07
South Main/Medical C.	148	2,879,341	90,169	96,569	3.4%	(3,375)	0	0	\$20.50
Southeast Outlier	219	1,448,232	122,943	122,943	8.5%	(11,895)	0	0	\$16.12
Southwest Beltway 8	90	1,289,526	51,686	51,686	4.0%	4,626	0	0	\$15.19
Southwest Far	53	337,983	4,340	4,340	1.3%	2,400	0	0	\$20.34
Southwest Outlier	115	450,981	34,296	34,296	7.6%	3,194	0	0	\$16.90
Southwest/Hillcroft	72	1,852,372	124,134	124,134	6.7%	(5,920)	0	0	\$15.35
The Woodlands	175	1,343,053	81,997	81,997	6.1%	(12,675)	0	0	\$23.78
West Belt	20	212,243	0	0	0.0%	0	0	0	\$16.50
Westchase	30	894,543	44,271	44,271	4.9%	4,229	0	0	\$16.17
Totals	4,807	44,091,362	3,254,138	3,296,171	7.5%	23,639	0	0	\$17.77

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Total Office Submarket Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	40	255,359	8,028	8,028	3.1%	(1,350)	0	0	\$15.81
Baytown	135	1,665,125	109,138	113,138	6.8%	18,901	0	6,003	\$21.24
Bellaire	89	4,972,064	471,207	479,171	9.6%	24,103	0	0	\$23.90
CBD	159	50,494,380	8,256,783	9,845,021	19.5%	(542,840)	0	778,344	\$39.12
Conroe	257	2,608,111	252,614	257,333	9.9%	(22,522)	18,000	13,000	\$22.44
E Fort Bend Co/Sugar.	396	9,859,937	780,043	1,001,043	10.2%	(158,390)	63,625	113,771	\$25.50
FM 1960/Champions	251	4,346,556	691,915	693,576	16.0%	30,868	43,600	43,504	\$15.67
FM 1960/Hwy 249	398	8,544,759	807,677	844,303	9.9%	(42,649)	2,187	56,581	\$24.15
FM 1960/I-45 North	106	2,490,983	654,184	655,634	26.3%	(115,709)	0	0	\$19.29
Galleria/Uptown	66	16,839,469	2,304,270	2,814,345	16.7%	288,555	104,579	0	\$36.75
Greenspoint/IAH	55	3,134,296	776,936	776,936	24.8%	31,968	0	0	\$18.54
Greenspoint/N Belt W.	117	10,851,198	4,561,483	4,845,126	44.7%	(90,680)	0	0	\$19.75
Greenway Plaza	277	13,096,237	1,788,862	1,847,087	14.1%	2,013	0	0	\$33.16
Gulf Freeway/Pasaden.	618	7,868,209	991,712	1,002,267	12.7%	(31,022)	10,304	8,500	\$20.52
I-10 East	131	1,310,666	153,341	153,341	11.7%	(9,160)	0	0	\$16.06
Katy Freeway East	260	11,752,929	1,233,480	1,417,936	12.1%	(72,677)	0	102,474	\$30.79
Katy Freeway West	258	28,324,473	4,777,218	6,968,888	24.6%	(539,299)	4,320	10,300	\$27.18
Katy/Grand Parkway W.	391	6,088,611	718,725	754,095	12.4%	81,756	76,945	30,500	\$27.34
Kingwood/Humble	219	3,438,021	290,392	292,146	8.5%	(48,998)	0	100,000	\$24.19
Liberty County	67	346,290	8,548	8,548	2.5%	5,210	0	0	\$13.74
Midtown	532	9,520,236	931,100	958,347	10.1%	(101,551)	0	0	\$29.47
NASA/Clear Lake	518	10,445,743	1,756,790	1,769,930	16.9%	98,379	0	7,400	\$20.42
North Loop West	335	6,115,610	872,797	884,761	14.5%	17,460	0	25,020	\$24.48
Northeast Near	145	2,237,421	134,659	134,659	6.0%	24,313	0	0	\$18.80
Northeast Outlier	84	888,965	54,690	54,690	6.2%	(2,840)	0	0	\$22.42
Northwest Far	130	4,422,915	903,082	906,756	20.5%	(55,202)	0	0	\$17.18
Northwest Near	52	1,434,266	101,247	101,247	7.1%	506	0	0	\$17.25
Northwest Outlier	225	1,681,648	248,617	253,581	15.1%	9,470	7,000	20,555	\$25.82
Outlying Chambers Co.	19	54,401	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	179	1,432,627	203,096	203,096	14.2%	9,400	0	26,952	\$22.86
Outlying Waller Coun.	21	112,391	2,800	2,800	2.5%	(2,800)	0	0	\$0.00
Post Oak Park	43	4,775,644	1,155,573	1,248,254	26.1%	(18,311)	0	0	\$35.31
Richmond/Fountainvie.	115	2,157,383	185,593	185,593	8.6%	(22,782)	0	0	\$17.31
Riverway	24	3,090,476	590,139	607,902	19.7%	6,259	0	0	\$30.77
San Felipe/Voss	49	5,339,957	1,084,466	1,108,655	20.8%	(88,154)	0	0	\$29.24
San Jacinto County	3	39,139	0	0	0.0%	0	0	0	\$0.00
South	248	3,105,449	252,047	252,047	8.1%	279,078	250,000	50,000	\$24.04
South Hwy 35	148	796,929	37,695	37,695	4.7%	3,898	0	0	\$17.66
South Main/Medical C.	234	13,265,676	502,872	528,595	4.0%	(5,030)	0	0	\$27.54
Southeast Outlier	337	4,312,008	426,499	426,499	9.9%	(19,981)	10,070	10,000	\$19.75
Southwest Beltway 8	193	7,621,205	1,159,663	1,165,065	15.3%	(52,007)	0	0	\$17.26
Southwest Far	90	1,431,945	271,947	271,947	19.0%	11,006	0	0	\$23.77
Southwest Outlier	202	1,734,287	224,866	227,426	13.1%	10,266	2,645	1,200	\$23.96
Southwest/Hillcroft	108	5,357,416	880,322	909,485	17.0%	(30,540)	0	0	\$16.53
The Woodlands	605	20,631,897	1,909,756	2,044,791	9.9%	113,611	22,764	716,300	\$28.40
West Belt	106	6,913,394	969,555	1,298,723	18.8%	30,038	0	17,500	\$26.85
Westchase	137	18,694,853	3,313,440	4,046,334	21.6%	(127,818)	0	0	\$27.35
Totals	9,172	325,901,554	47,809,867	54,406,840	16.7%	(1,105,254)	616,039	2,137,904	\$27.73

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class A Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	38	33,842,503	5,217,416	6,731,310	19.9%	(490,618)	0	778,344	\$41.74
Suburban	461	110,314,059	19,169,860	23,670,110	21.5%	(126,682)	426,624	938,126	\$30.63
Totals	499	144,156,562	24,387,276	30,401,420	21.1%	(617,300)	426,624	1,716,470	\$33.34

Source: CoStar Property®

Class B Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	61	14,925,921	2,921,600	2,995,944	20.1%	(50,753)	0	0	\$28.59
Suburban	3,805	122,727,709	17,246,853	17,713,305	14.4%	(460,840)	189,415	421,434	\$21.13
Totals	3,866	137,653,630	20,168,453	20,709,249	15.0%	(511,593)	189,415	421,434	\$21.68

Source: CoStar Property®

Class C Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	60	1,725,956	117,767	117,767	6.8%	(1,469)	0	0	\$21.01
Suburban	4,747	42,365,406	3,136,371	3,178,404	7.5%	25,108	0	0	\$17.65
Totals	4,807	44,091,362	3,254,138	3,296,171	7.5%	23,639	0	0	\$17.77

Source: CoStar Property®

Class A & B Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	99	48,768,424	8,139,016	9,727,254	19.9%	(541,371)	0	778,344	\$39.37
Suburban	4,266	233,041,768	36,416,713	41,383,415	17.8%	(587,522)	616,039	1,359,560	\$26.16
Totals	4,365	281,810,192	44,555,729	51,110,669	18.1%	(1,128,893)	616,039	2,137,904	\$28.44

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	159	50,494,380	8,256,783	9,845,021	19.5%	(542,840)	0	778,344	\$39.12
Suburban	9,013	275,407,174	39,553,084	44,561,819	16.2%	(562,414)	616,039	1,359,560	\$25.51
Totals	9,172	325,901,554	47,809,867	54,406,840	16.7%	(1,105,254)	616,039	2,137,904	\$27.73

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class A Market Statistics

First Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 1q	499	144,156,562	24,387,276	30,401,420	21.1%	(617,300)	3	426,624	7	1,716,470	\$33.34
2017 4q	496	143,729,938	24,288,744	29,357,496	20.4%	236,894	3	520,255	9	2,040,620	\$33.22
2017 3q	493	143,209,683	23,979,515	29,074,135	20.3%	(439,345)	1	85,000	12	2,560,875	\$33.33
2017 2q	490	143,074,683	24,025,763	28,499,790	19.9%	(871,165)	1	171,996	13	2,317,875	\$33.45
2017 1q	489	143,119,093	23,451,905	27,673,035	19.3%	(588,816)	3	1,674,831	11	1,535,708	\$33.17
2016	486	141,444,262	21,375,901	25,409,388	18.0%	428,088	17	5,240,907	13	2,883,739	\$33.30
2015	468	135,962,885	16,828,544	20,356,099	15.0%	3,867,051	40	11,028,088	24	7,534,854	\$34.22
2014	426	124,491,234	11,430,615	12,751,499	10.2%	6,998,344	34	7,275,181	52	16,425,172	\$34.68
2013	389	116,752,504	10,548,577	12,011,113	10.3%	4,074,648	18	3,506,810	43	12,074,754	\$32.10
2012	370	112,918,290	11,562,167	12,251,547	10.8%	3,325,638	5	1,351,125	31	9,901,359	\$31.19
2011	364	111,446,954	13,337,739	14,105,849	12.7%	2,541,304	4	2,075,237	8	2,401,796	\$29.86
2010	360	109,682,604	14,248,835	14,882,803	13.6%	788,603	2	218,294	7	3,111,449	\$29.04
2009	356	109,436,329	14,384,089	15,425,131	14.1%	2,097,898	20	4,404,985	8	2,993,124	\$29.85
2008	332	104,205,721	11,382,180	12,292,421	11.8%	3,341,951	18	3,602,671	28	7,948,774	\$29.16
2007	303	98,611,507	9,201,085	10,040,158	10.2%	4,450,924	13	2,211,088	36	8,665,986	\$27.15
2006	286	95,859,869	10,564,548	11,739,444	12.2%	4,840,442	8	1,119,039	23	5,127,511	\$23.34

Source: CoStar Property®

Class B Market Statistics

First Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 1q	3,866	137,653,630	20,168,453	20,709,249	15.0%	(511,593)	19	189,415	39	421,434	\$21.68
2017 4q	3,845	137,449,668	19,371,187	19,997,641	14.5%	315,710	14	262,512	48	518,311	\$21.83
2017 3q	3,827	137,152,979	19,403,861	20,016,662	14.6%	29,077	16	223,293	50	710,771	\$21.59
2017 2q	3,810	136,926,686	19,188,303	19,819,446	14.5%	282,955	21	203,610	60	888,956	\$21.61
2017 1q	3,783	136,683,357	19,238,543	19,859,072	14.5%	(611,084)	21	279,205	69	1,031,800	\$21.49
2016	3,762	136,404,152	18,111,676	18,968,783	13.9%	(702,218)	66	738,191	65	1,008,017	\$21.48
2015	3,678	136,312,766	17,246,525	18,175,179	13.3%	(274,838)	79	1,661,751	71	848,413	\$21.48
2014	3,577	134,510,043	15,565,584	16,097,618	12.0%	1,956,289	93	1,296,499	84	1,832,674	\$21.10
2013	3,463	133,889,883	17,087,879	17,433,747	13.0%	1,143,885	47	752,301	102	1,405,036	\$20.28
2012	3,403	132,936,525	17,132,392	17,624,274	13.3%	2,081,073	40	694,960	51	1,103,202	\$19.56
2011	3,345	132,355,006	18,703,110	19,123,828	14.4%	805,268	42	640,974	50	951,228	\$19.04
2010	3,285	131,486,755	18,486,219	19,060,845	14.5%	579,628	49	493,640	46	794,579	\$18.89
2009	3,217	130,615,513	17,914,254	18,769,231	14.4%	245,741	86	1,930,105	61	843,575	\$19.25
2008	3,102	128,129,762	15,798,881	16,529,221	12.9%	1,172,674	132	2,304,731	99	2,245,213	\$19.81
2007	2,907	125,171,785	14,206,840	14,743,918	11.8%	2,193,171	91	1,339,409	172	3,534,663	\$19.15
2006	2,768	123,624,833	14,840,775	15,390,137	12.4%	4,281,578	79	2,424,628	124	1,869,151	\$17.26

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 1q	9,172	325,901,554	47,809,867	54,406,840	16.7%	(1,105,254)	22	616,039	46	2,137,904	\$27.73
2017 4q	9,147	325,261,176	46,954,888	52,674,947	16.2%	540,794	17	782,767	57	2,558,931	\$27.61
2017 3q	9,126	324,444,232	46,645,198	52,398,797	16.2%	(542,915)	17	308,293	62	3,271,646	\$27.42
2017 2q	9,106	324,082,939	46,252,207	51,494,589	15.9%	(603,074)	22	375,606	73	3,206,831	\$27.51
2017 1q	9,080	323,999,976	45,792,369	50,808,552	15.7%	(1,362,941)	24	1,954,036	80	2,567,508	\$27.37
2016	9,059	322,083,526	42,472,211	47,529,161	14.8%	(363,101)	83	5,979,098	78	3,891,756	\$27.30
2015	8,965	316,828,572	37,430,782	41,911,106	13.2%	3,694,862	119	12,689,839	95	8,383,267	\$27.87
2014	8,830	303,899,022	30,805,644	32,676,418	10.8%	9,470,873	129	8,600,243	137	18,259,106	\$27.35
2013	8,689	295,853,466	32,132,422	34,101,735	11.5%	4,716,720	65	4,259,111	147	13,508,353	\$25.47
2012	8,616	291,320,122	33,073,920	34,285,111	11.8%	5,079,690	47	2,051,010	82	11,004,561	\$24.41
2011	8,546	289,257,007	36,055,264	37,301,686	12.9%	2,953,125	48	2,726,300	65	3,388,774	\$22.99
2010	8,478	286,928,767	36,693,444	37,926,571	13.2%	1,544,019	54	717,472	60	3,941,148	\$22.83
2009	8,399	285,785,321	36,423,283	38,327,144	13.4%	2,504,982	111	6,353,808	75	3,851,537	\$23.69
2008	8,247	278,024,391	31,406,916	33,071,196	11.9%	4,358,880	168	6,001,442	137	10,229,040	\$23.83
2007	7,995	269,437,249	27,421,097	28,842,934	10.7%	6,752,521	119	3,670,007	235	12,354,817	\$22.41
2006	7,815	265,040,420	29,443,211	31,198,626	11.8%	9,506,534	99	3,840,030	168	7,139,511	\$19.72

Source: CoStar Property®

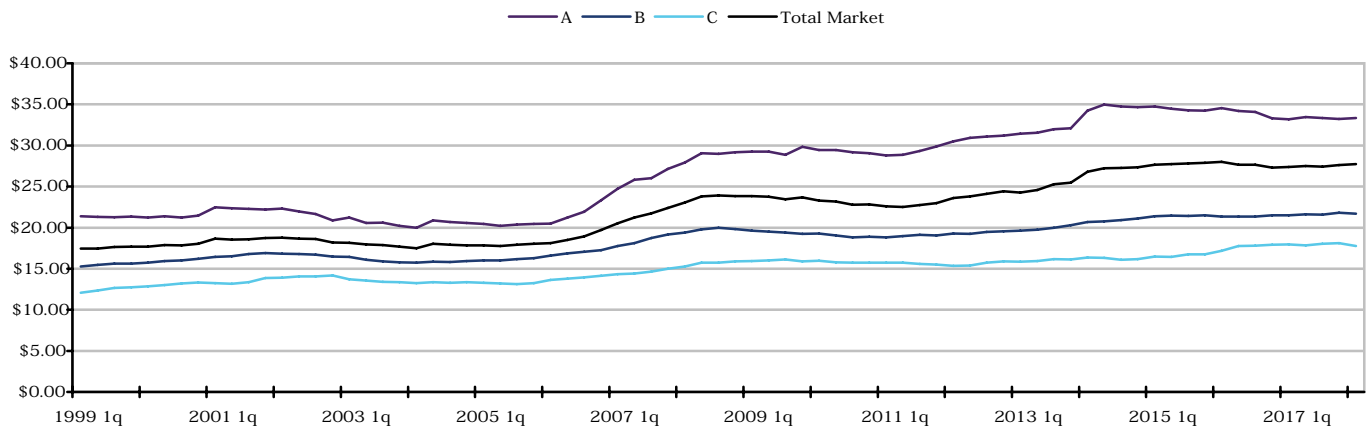
Houston Office Market



Leasing Activity

Historical Rental Rates

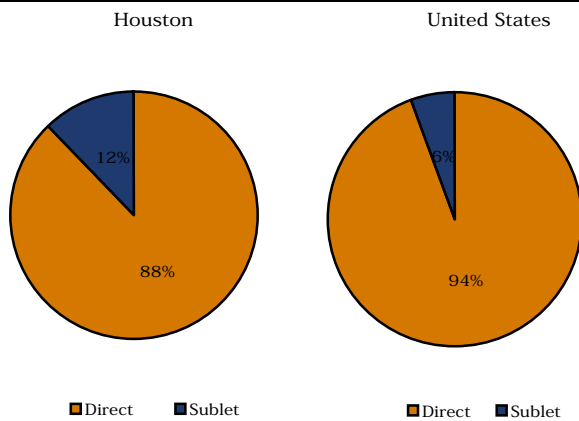
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

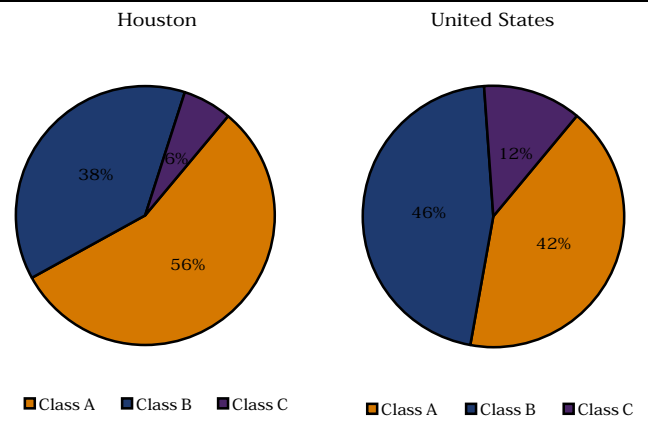
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Class

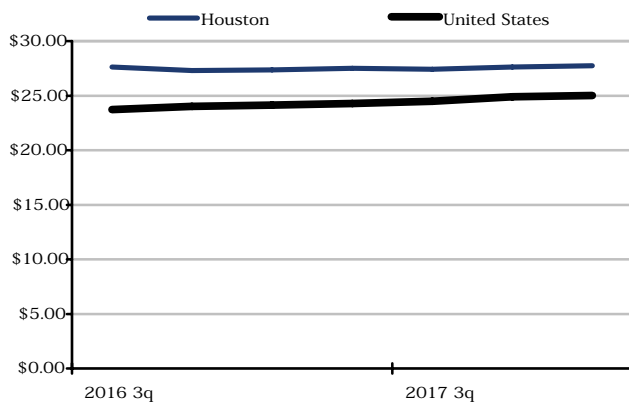
Percent of All Vacant Space by Class



Source: CoStar Property®

U.S. Rental Rate Comparison

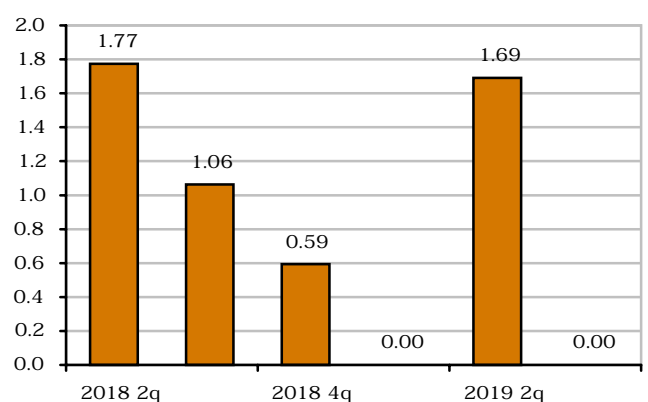
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®



Houston Office Market

Leasing Activity

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2018

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 Post Oak Central One*	Galleria/Uptown	364,272	1st	Apache Corporation	Cushman & Wakefield	Parkway Realty Services
2 Williams Tower*	Galleria/Uptown	298,955	1st	Transco	JLL	CBRE
3 Post Oak Central Three*	Galleria/Uptown	150,020	1st	Apache Corporation	Cushman & Wakefield	Parkway Realty Services
4 2600 N Loop Fwy W*	North Loop West	54,891	1st	PFS Group	NAI Partners	N/A
5 5444 Westheimer Rd	Galleria/Uptown	47,958	1st	N/A	N/A	CBRE
6 Air Liquide Center- South	Katy Freeway East	46,720	1st	FairfieldNodal	NAI Partners	CBRE
7 University Medical Plaza	South Main/Medical Center	43,601	1st	N/A	Greenberg & Company	NAI Partners
8 Capital One Plaza	San Felipe/Voss	42,999	1st	KHOU	N/A	CBRE
9 Cardinal Health	Katy Freeway West	36,361	1st	N/A	N/A	Transwestern
10 Central Square	Midtown	34,675	1st	N/A	N/A	Transwestern
11 BBVA Compass Plaza	Galleria/Uptown	32,872	1st	N/A	N/A	Stream Realty Partners, L.P.
12 First City Tower*	CBD	27,641	1st	Liskow & Lewis	CBRE	Colvill Office Properties
13 BG Group Place	CBD	27,459	1st	Gibson Dunn	N/A	Cushman & Wakefield
14 Three Hughes Landing	The Woodlands	27,390	1st	N/A	N/A	Colliers International
15 BG Group Place	CBD	24,494	1st	Yetter Coleman LLP	N/A	N/A
16 Brookhollow Central III	North Loop West	24,157	1st	N/A	N/A	Lincoln Property Company
17 Cobalt Center*	Katy Freeway East	23,652	1st	Renaissance Offshore	N/A	MetroNational Corporation
18 Cobalt Center*	Katy Freeway East	23,652	1st	Cardno	N/A	MetroNational Corporation
19 Air Liquide Center- South	Katy Freeway East	23,588	1st	Solaris Energy Management	N/A	MetroNational Corporation
20 Research Forest Lakeside - Building 4	The Woodlands	23,535	1st	N/A	N/A	CBRE
21 Three Greenway Plaza	Greenway Plaza	23,049	1st	Foster LLP	Newmark Knight Frank	Parkway Realty Services
22 1100 Louisiana (Enterprise Plaza)	CBD	22,986	1st	N/A	N/A	CBRE
23 The Fidelis Building	Bellaire	22,938	1st	N/A	N/A	CBRE
24 2929 Briarpark Dr	Westchase	22,867	1st	Taylor Morrison/Darling Homes	N/A	CBRE
25 Two Riverway	Riverway	22,456	1st	N/A	N/A	Stream Realty Partners, L.P.
26 Central Square	Midtown	21,924	1st	N/A	N/A	Transwestern
27 Central Square	Midtown	21,924	1st	N/A	N/A	Transwestern
28 CityWestPlace Bldg 2	Westchase	21,799	1st	N/A	N/A	CBRE
29 CityWestPlace Bldg 2	Westchase	21,799	1st	N/A	N/A	CBRE
30 JP Morgan Chase Tower	CBD	21,500	1st	N/A	N/A	Cushman & Wakefield
31 Brookhollow Central II*	North Loop West	21,297	1st	N/A	N/A	Lincoln Property Company
32 BG Group Place	CBD	21,158	1st	N/A	N/A	Cushman & Wakefield
33 Wells Fargo Bank Tower	Galleria/Uptown	20,091	1st	N/A	N/A	Transwestern
34 Hedwig Place	Katy Freeway East	20,000	1st	N/A	N/A	Stream Realty Partners, L.P.
35 Pearland Office 200	South	20,000	1st	N/A	N/A	Evergreen Commercial Realty
36 55 Waugh Dr	Midtown	19,900	1st	N/A	N/A	Savills Studley
37 Two Sugar Creek Center	E Fort Bend Co/Sugar Land	19,692	1st	N/A	N/A	Stream Realty Partners, L.P.
38 6758 Northwinds Dr	FM 1960/Hwy 249	18,000	1st	N/A	N/A	S.E. Covington & Company, Inc.
39 396 W Greens Rd	Greenspoint/N Belt West	16,505	1st	Elementia USA	N/A	JLL
40 1330 Post Oak Blvd	Galleria/Uptown	14,553	1st	Cranberry Lake	N/A	Transwestern

Source: CoStar Property®

* Renewal

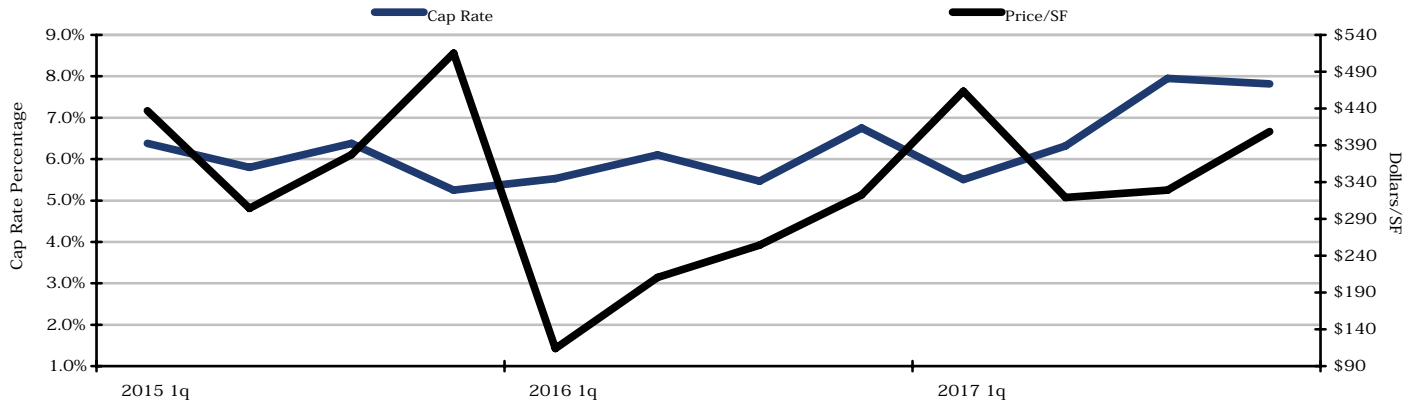
Houston Office Market



Sales Activity

The Optimist Sales Index

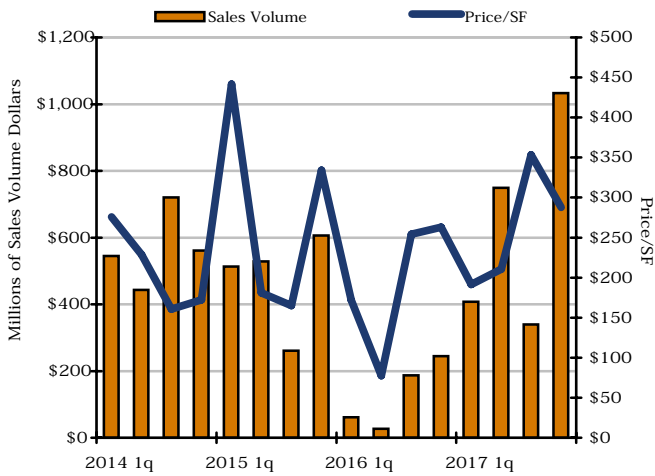
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

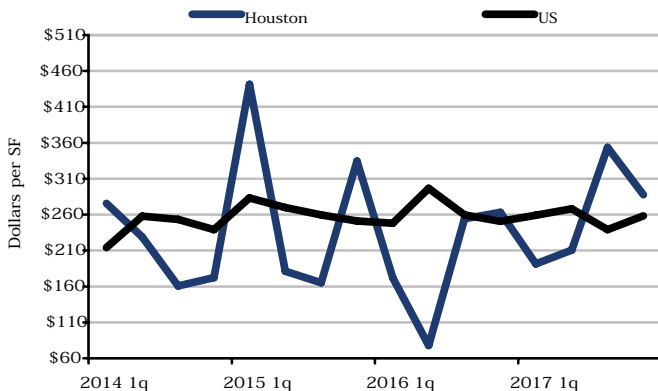
Based on Office Building Sales From Jan. 2017 - Dec. 2017

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	48	645,317	\$142,984,060	\$ 221.57	6.90%
50K-249K SF	15	2,077,231	\$272,997,690	\$ 131.42	7.92%
250K-499K SF	5	1,674,592	\$436,100,000	\$ 260.42	5.64%
>500K SF	4	6,080,409	\$1,747,600,000	\$ 287.41	10.20%

Source: CoStar COMPS®

U.S. Price/SF Comparison

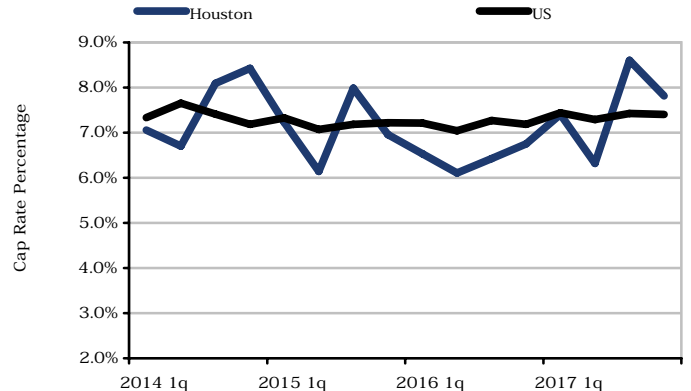
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Select Top Sales

Based on Sales from January 2017 Through March 2018

1. Merger of Parkway Inc./CPPIB



Houston

Price: **\$687,900,000**
 Price/SF: **\$361.24**
 Cap Rate: **N/A**
 RBA: **1,904,271**
 Date: **10/12/2017**
 Year Built: **1975**
 Buyer: **Canada Pension Plan Investment Board**
 Seller: **Parkway, Inc.**

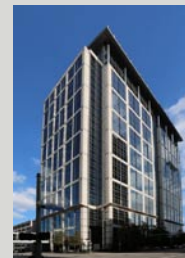
2. Greenway Portfolio



Houston

Price: **\$512,100,000**
 Price/SF: **\$214.17**
 Cap Rate: **N/A**
 RBA: **2,391,051**
 Date: **4/20/2017**
 Year Built: **1979**
 Buyer: **TH Real Estate**
 Seller: **Parkway, Inc.**

3. CPT/Spear Street



Houston

Price: **\$272,000,000**
 Price/SF: **\$229.06**
 Cap Rate: **10.2%**
 RBA: **1,187,458**
 Date: **1/9/2017**
 Year Built: **2002**
 Buyer: **Spear Street Capital**
 Seller: **Columbia Property Trust**

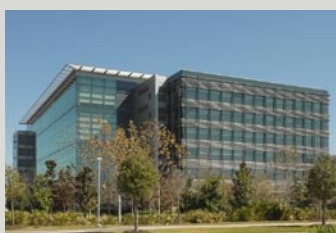
4. Marathon Oil Tower



Houston

Price: **\$176,500,000**
 Price/SF: **\$147.42**
 Cap Rate: **7.4%**
 RBA: **1,197,300**
 Date: **1/31/2018**
 Year Built: **1983**
 Buyer: **Baupost Group LLC**
 Seller: **CBRE Global Investors Ltd**

5. Helios Plaza



Houston

Price: **\$172,000,000**
 Price/SF: **\$456.01**
 Cap Rate: **N/A**
 RBA: **377,185**
 Date: **12/19/2017**
 Year Built: **2009**
 Buyer: **Invesco Advisors, Inc.**
 Seller: **Woodbranch Management, Inc.**

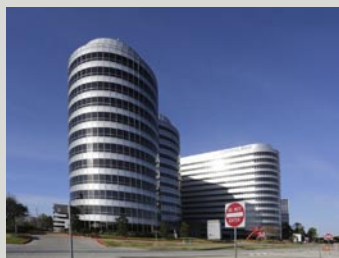
6. Northwest Houston MOB



Cypress

Price: **\$137,600,000**
 Price/SF: **\$375.57**
 Cap Rate: **5.64%**
 RBA: **366,380**
 Date: **5/11/2017**
 Year Built: **2008**
 Buyer: **Healthcare Trust of America, Inc.**
 Seller: **North Cypress Medical Center**

7. Brookhollow Central I, II & III



Houston

Price: **\$70,500,000**
 Price/SF: **\$87.41**
 Cap Rate: **N/A**
 RBA: **806,541**
 Date: **2/14/2018**
 Year Built: **1981**
 Buyer: **Hertz Investment Group**
 Seller: **Parmenter, LLC**

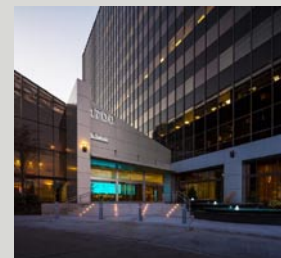
8. 1020 Holcombe Blvd



Houston

Price: **\$61,000,000**
 Price/SF: **\$221.53**
 Cap Rate: **N/A**
 RBA: **275,360**
 Date: **10/4/2017**
 Year Built: **1962**
 Buyer: **Board of Regents of the Texas A&M University**
 Seller: **Norvin Properties**

9. Burns & McDonnell Plaza



Houston

Price: **\$52,000,000**
 Price/SF: **\$190.52**
 Cap Rate: **N/A**
 RBA: **272,941**
 Date: **6/23/2017**
 Year Built: **1976**
 Buyer: **Lingerfelt Commonwealth Partners**
 Seller: **The ROC Fund**

Houston Office Market

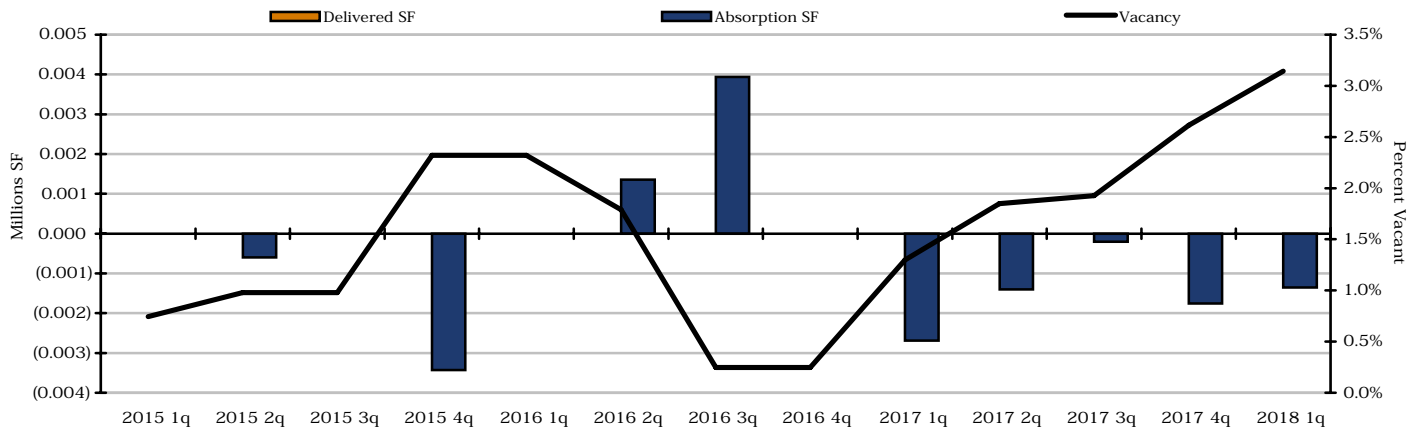


Austin County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

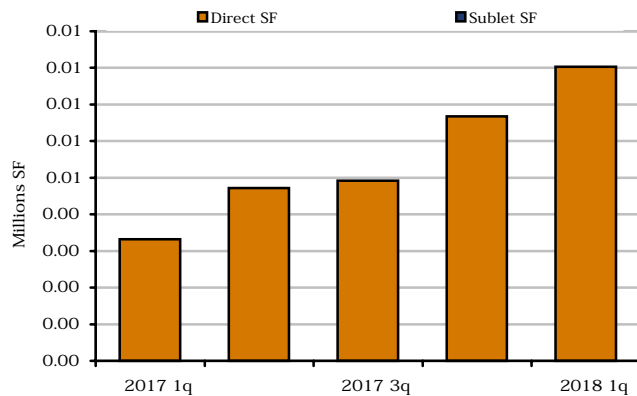
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

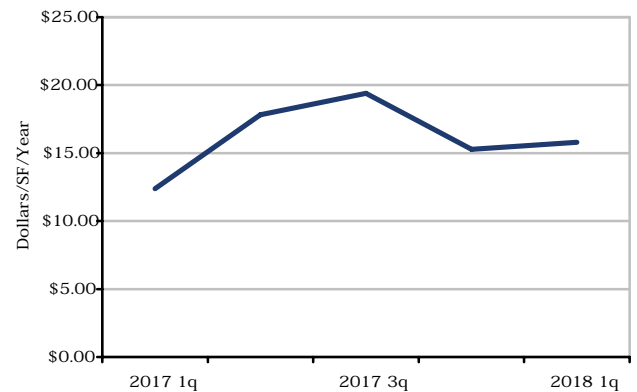
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	40	255,359	8,028	3.1%	(1,350)	0	0	0	0	\$15.81
2017 4q	40	255,359	6,678	2.6%	(1,760)	0	0	0	0	\$15.27
2017 3q	40	255,359	4,918	1.9%	(200)	0	0	0	0	\$19.39
2017 2q	40	255,359	4,718	1.8%	(1,400)	0	0	0	0	\$17.83
2017 1q	40	255,359	3,318	1.3%	(2,688)	0	0	0	0	\$12.38
2016 4q	40	255,359	630	0.2%	0	0	0	0	0	\$0.00
2016 3q	40	255,359	630	0.2%	3,940	0	0	0	0	\$18.10
2016 2q	40	255,359	4,570	1.8%	1,360	0	0	0	0	\$18.10
2016 1q	40	255,359	5,930	2.3%	0	0	0	0	0	\$18.10
2015 4q	40	255,359	5,930	2.3%	(3,430)	0	0	0	0	\$0.00
2015 3q	40	255,359	2,500	1.0%	0	0	0	0	0	\$0.00
2015 2q	40	255,359	2,500	1.0%	(600)	0	0	0	0	\$0.00
2015 1q	40	255,359	1,900	0.7%	0	0	0	0	0	\$0.00
2014 4q	40	255,359	1,900	0.7%	0	0	0	0	0	\$0.00
2014 3q	40	255,359	1,900	0.7%	0	0	0	0	0	\$0.00
2014 2q	40	255,359	1,900	0.7%	1,800	0	0	0	0	\$0.00

Source: CoStar Property®

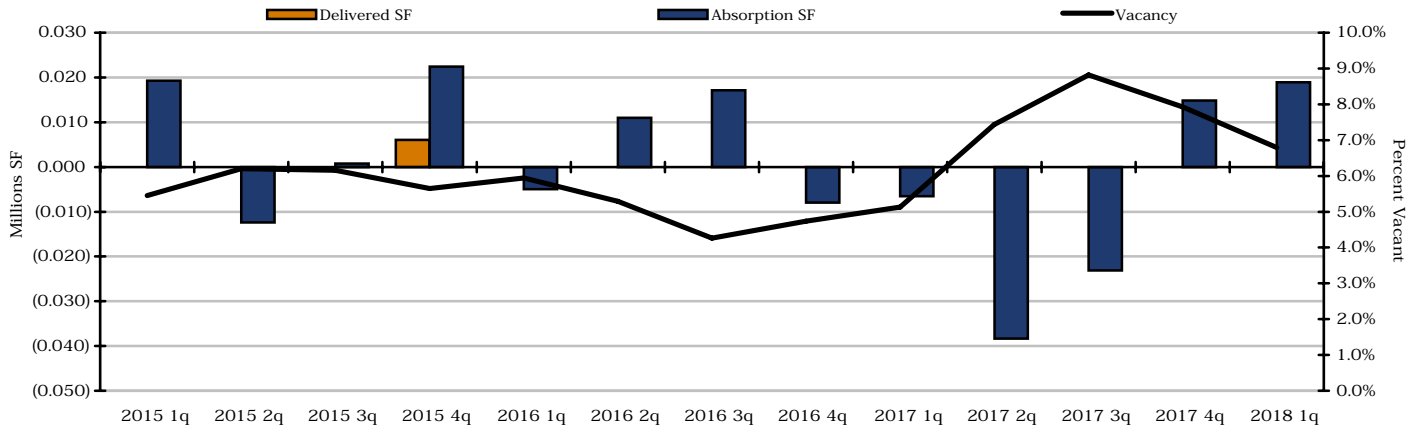


Houston Office Market

Baytown Market
Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

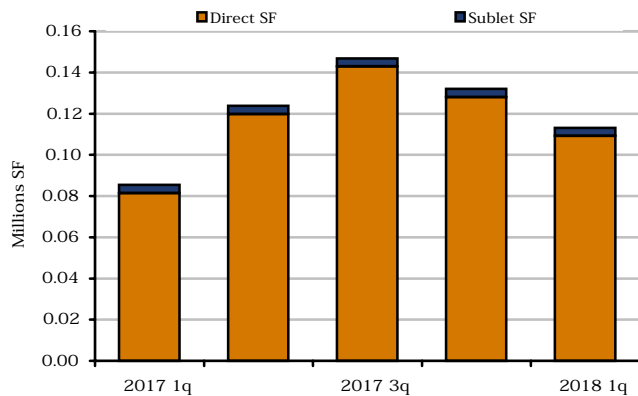
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

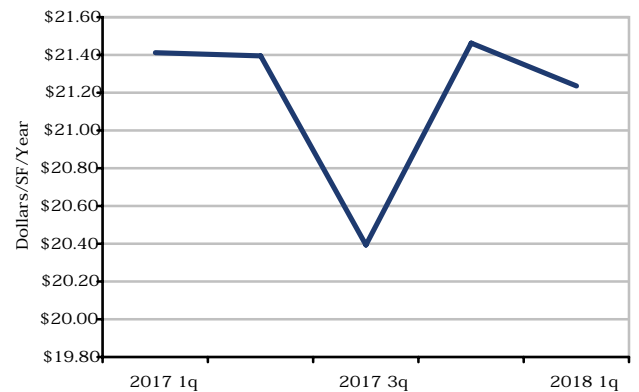
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	135	1,665,125	113,138	6.8%	18,901	0	0	1	6,003	\$21.24
2017 4q	135	1,665,125	132,039	7.9%	14,823	0	0	1	6,003	\$21.46
2017 3q	135	1,665,125	146,862	8.8%	(23,124)	0	0	1	6,003	\$20.39
2017 2q	135	1,665,125	123,738	7.4%	(38,332)	0	0	1	6,003	\$21.40
2017 1q	135	1,665,125	85,406	5.1%	(6,543)	0	0	0	0	\$21.41
2016 4q	135	1,665,125	78,863	4.7%	(7,946)	0	0	0	0	\$23.00
2016 3q	135	1,665,125	70,917	4.3%	17,152	0	0	0	0	\$19.41
2016 2q	135	1,665,125	88,069	5.3%	10,958	0	0	0	0	\$17.93
2016 1q	135	1,665,125	99,027	5.9%	(4,992)	0	0	0	0	\$18.67
2015 4q	135	1,665,125	94,035	5.6%	22,454	1	6,020	0	0	\$17.89
2015 3q	133	1,650,175	101,539	6.2%	756	0	0	2	14,950	\$18.39
2015 2q	133	1,650,175	102,295	6.2%	(12,409)	0	0	1	8,930	\$17.97
2015 1q	133	1,650,175	89,886	5.4%	19,278	0	0	1	8,930	\$17.55
2014 4q	133	1,650,175	109,164	6.6%	100	0	0	0	0	\$16.56
2014 3q	133	1,650,175	109,264	6.6%	(6,736)	0	0	0	0	\$16.45
2014 2q	133	1,650,175	102,528	6.2%	30,193	0	0	0	0	\$16.27

Source: CoStar Property®

Houston Office Market

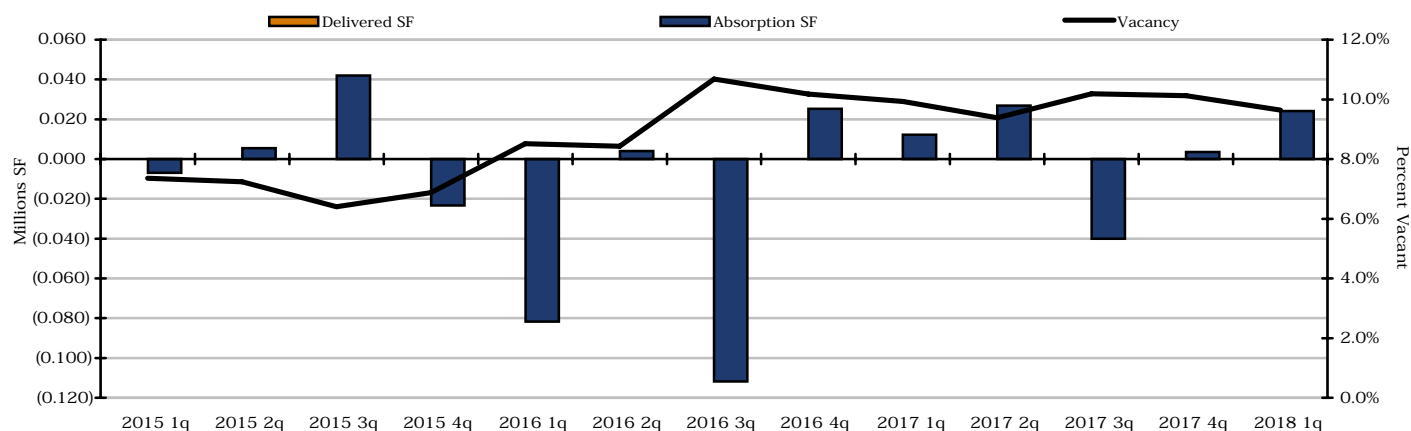


Bellaire Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

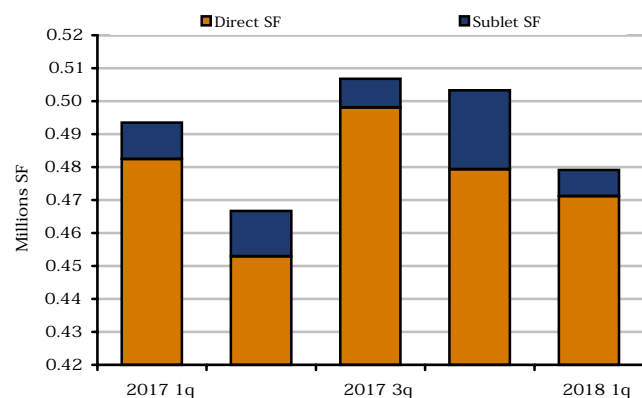
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

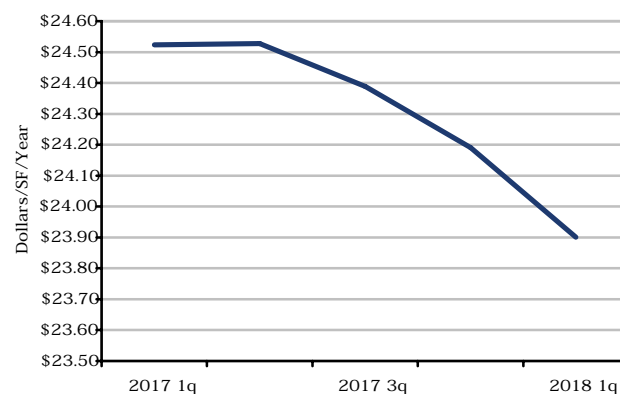
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	89	4,972,064	479,171	9.6%	24,103	0	0	0	0	\$23.90
2017 4q	89	4,972,064	503,274	10.1%	3,501	0	0	0	0	\$24.19
2017 3q	89	4,972,064	506,775	10.2%	(40,055)	0	0	0	0	\$24.39
2017 2q	89	4,972,064	466,720	9.4%	26,799	0	0	0	0	\$24.53
2017 1q	89	4,972,064	493,519	9.9%	12,289	0	0	0	0	\$24.52
2016 4q	89	4,972,064	505,808	10.2%	25,280	0	0	0	0	\$24.36
2016 3q	89	4,972,064	531,088	10.7%	(111,795)	0	0	0	0	\$24.54
2016 2q	89	4,972,064	419,293	8.4%	3,972	0	0	0	0	\$24.36
2016 1q	89	4,972,064	423,265	8.5%	(81,728)	0	0	0	0	\$24.18
2015 4q	89	4,972,064	341,537	6.9%	(23,399)	0	0	0	0	\$24.16
2015 3q	89	4,972,064	318,138	6.4%	41,957	0	0	0	0	\$25.19
2015 2q	89	4,972,064	360,095	7.2%	5,412	0	0	0	0	\$25.02
2015 1q	89	4,972,064	365,507	7.4%	(6,975)	0	0	0	0	\$24.68
2014 4q	89	4,972,064	358,532	7.2%	11,144	0	0	0	0	\$25.00
2014 3q	89	4,972,064	369,676	7.4%	(2,003)	0	0	0	0	\$24.05
2014 2q	89	4,972,064	367,673	7.4%	73,972	1	4,960	0	0	\$24.04

Source: CoStar Property®



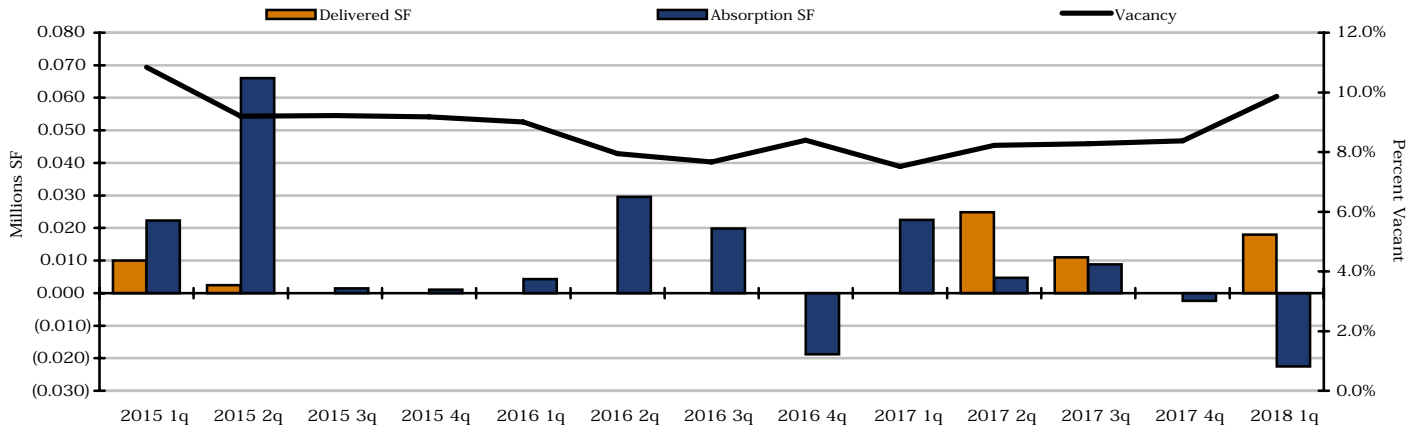
Houston Office Market

Conroe Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

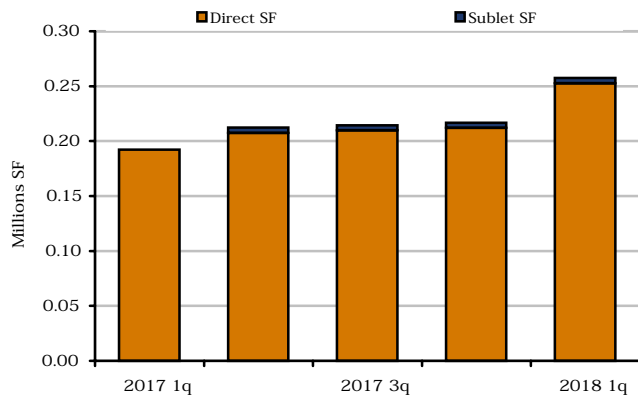
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

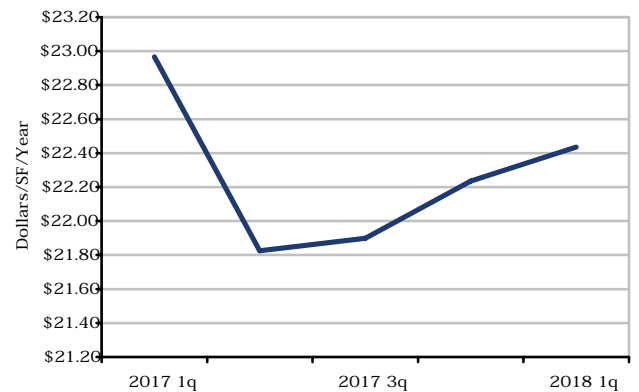
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	257	2,608,111	257,333	9.9%	(22,522)	1	18,000	1	13,000	\$22.44
2017 4q	256	2,590,111	216,811	8.4%	(2,421)	0	0	2	31,000	\$22.24
2017 3q	256	2,590,111	214,390	8.3%	8,828	1	11,000	2	31,000	\$21.90
2017 2q	255	2,579,111	212,218	8.2%	4,686	3	24,813	2	29,000	\$21.82
2017 1q	252	2,554,298	192,091	7.5%	22,504	0	0	4	35,813	\$22.97
2016 4q	252	2,554,298	214,595	8.4%	(18,841)	0	0	4	35,813	\$22.79
2016 3q	252	2,554,298	195,754	7.7%	19,797	0	0	2	22,157	\$22.97
2016 2q	250	2,540,553	201,806	7.9%	29,570	0	0	3	23,600	\$22.15
2016 1q	249	2,537,853	228,676	9.0%	4,348	0	0	3	16,445	\$22.76
2015 4q	249	2,537,853	233,024	9.2%	1,083	0	0	3	16,445	\$23.06
2015 3q	249	2,537,853	234,107	9.2%	1,439	0	0	1	2,700	\$22.26
2015 2q	248	2,535,503	233,196	9.2%	66,008	1	2,445	1	2,350	\$21.37
2015 1q	246	2,508,145	271,846	10.8%	22,292	1	10,000	3	29,708	\$22.38
2014 4q	245	2,498,145	284,138	11.4%	(6,123)	0	0	4	39,708	\$22.45
2014 3q	245	2,498,145	278,015	11.1%	1,374	0	0	3	37,358	\$22.80
2014 2q	245	2,498,145	279,389	11.2%	10,727	0	0	1	10,000	\$22.81

Source: CoStar Property®

Houston Office Market

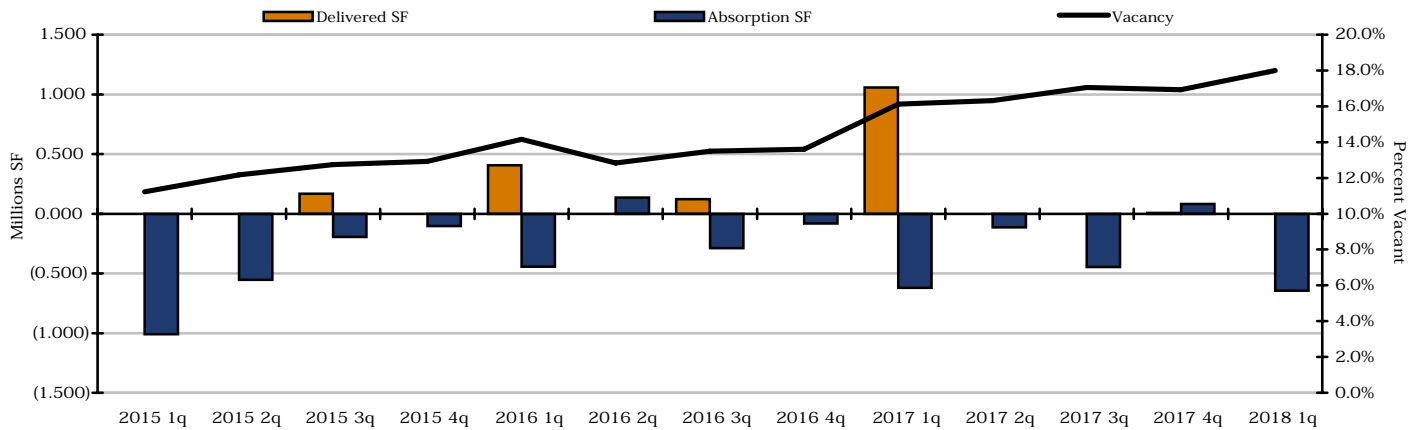


Downtown Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

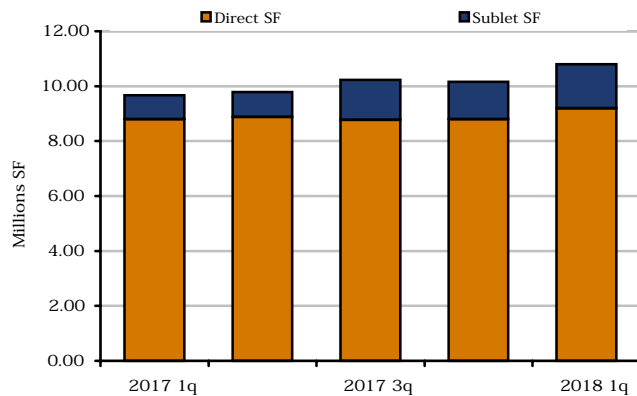
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

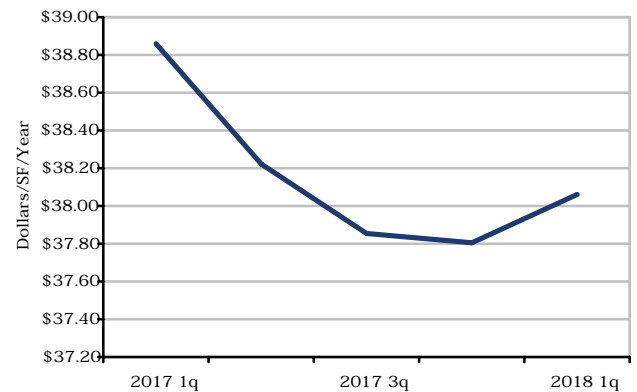
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	691	60,014,616	10,803,368	18.0%	(644,391)	0	0	1	778,344	\$38.06
2017 4q	691	60,014,616	10,158,977	16.9%	81,867	1	6,300	1	778,344	\$37.81
2017 3q	690	60,008,316	10,234,544	17.1%	(446,064)	0	0	2	784,644	\$37.85
2017 2q	690	60,008,316	9,788,480	16.3%	(114,787)	0	0	2	784,644	\$38.22
2017 1q	690	60,008,316	9,673,693	16.1%	(621,302)	1	1,056,658	0	0	\$38.86
2016 4q	691	58,979,244	8,023,319	13.6%	(80,449)	0	0	1	1,056,658	\$38.32
2016 3q	692	58,994,865	7,958,491	13.5%	(287,932)	2	120,800	1	1,056,658	\$39.73
2016 2q	691	58,882,134	7,557,828	12.8%	136,170	0	0	3	1,177,458	\$38.91
2016 1q	693	59,632,134	8,443,998	14.2%	(443,198)	1	406,600	3	1,177,458	\$39.29
2015 4q	694	59,287,484	7,656,150	12.9%	(103,874)	0	0	3	1,578,258	\$39.00
2015 3q	694	59,287,484	7,552,276	12.7%	(193,141)	1	167,562	3	1,578,258	\$38.45
2015 2q	693	59,119,922	7,191,573	12.2%	(552,553)	0	0	4	1,745,820	\$38.16
2015 1q	693	59,119,922	6,639,020	11.2%	(1,010,375)	0	0	4	1,745,820	\$37.93
2014 4q	693	59,119,922	5,628,645	9.5%	188,735	1	1,930	4	1,745,820	\$38.69
2014 3q	694	59,467,929	6,165,387	10.4%	(220,062)	1	7,500	4	1,632,750	\$38.86
2014 2q	693	59,460,429	5,937,825	10.0%	696,442	1	80,000	5	1,640,250	\$38.69

Source: CoStar Property®



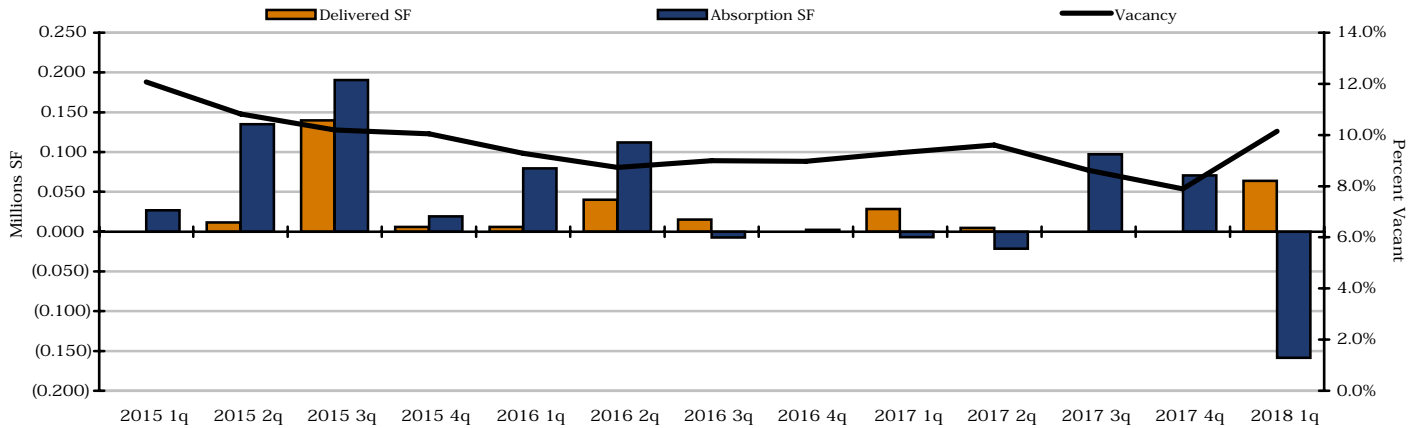
Houston Office Market

E Fort Bend Co / Sugar Land Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

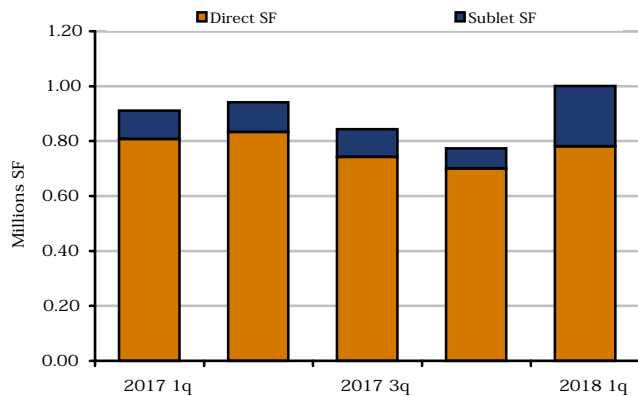
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

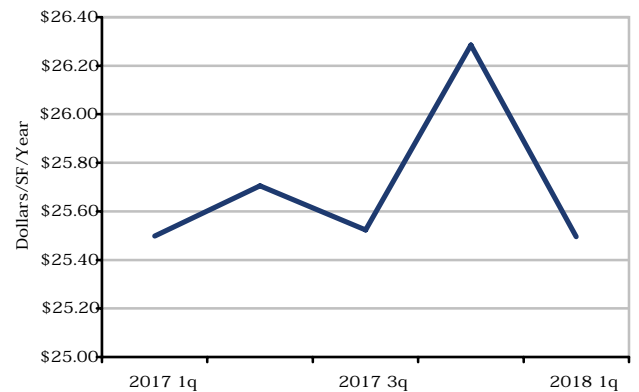
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	396	9,859,937	1,001,043	10.2%	(158,390)	6	63,625	4	113,771	\$25.50
2017 4q	390	9,796,312	773,228	7.9%	70,788	0	0	9	156,596	\$26.29
2017 3q	390	9,796,312	844,016	8.6%	97,082	0	0	6	141,596	\$25.52
2017 2q	390	9,796,312	941,098	9.6%	(21,535)	1	4,800	6	141,596	\$25.70
2017 1q	388	9,787,772	911,023	9.3%	(7,124)	2	28,249	5	60,460	\$25.50
2016 4q	386	9,759,523	875,650	9.0%	2,141	0	0	6	65,189	\$25.13
2016 3q	386	9,759,523	877,791	9.0%	(7,260)	1	15,225	5	60,389	\$25.18
2016 2q	384	9,739,503	850,511	8.7%	112,245	1	40,000	4	48,420	\$24.96
2016 1q	381	9,674,811	898,064	9.3%	79,546	2	6,000	7	113,112	\$24.62
2015 4q	379	9,668,811	971,610	10.0%	19,083	1	5,824	8	99,220	\$24.70
2015 3q	378	9,662,987	984,869	10.2%	190,561	3	139,783	7	85,024	\$24.38
2015 2q	374	9,517,204	1,029,647	10.8%	134,969	2	11,648	8	166,007	\$23.90
2015 1q	371	9,499,732	1,147,144	12.1%	26,739	0	0	8	169,079	\$24.28
2014 4q	371	9,499,732	1,173,883	12.4%	71,028	0	0	7	163,255	\$24.49
2014 3q	369	9,438,066	1,183,245	12.5%	18,051	2	9,590	3	65,249	\$24.34
2014 2q	363	9,388,584	1,151,814	12.3%	234,621	1	160,000	9	114,731	\$24.14

Source: CoStar Property®

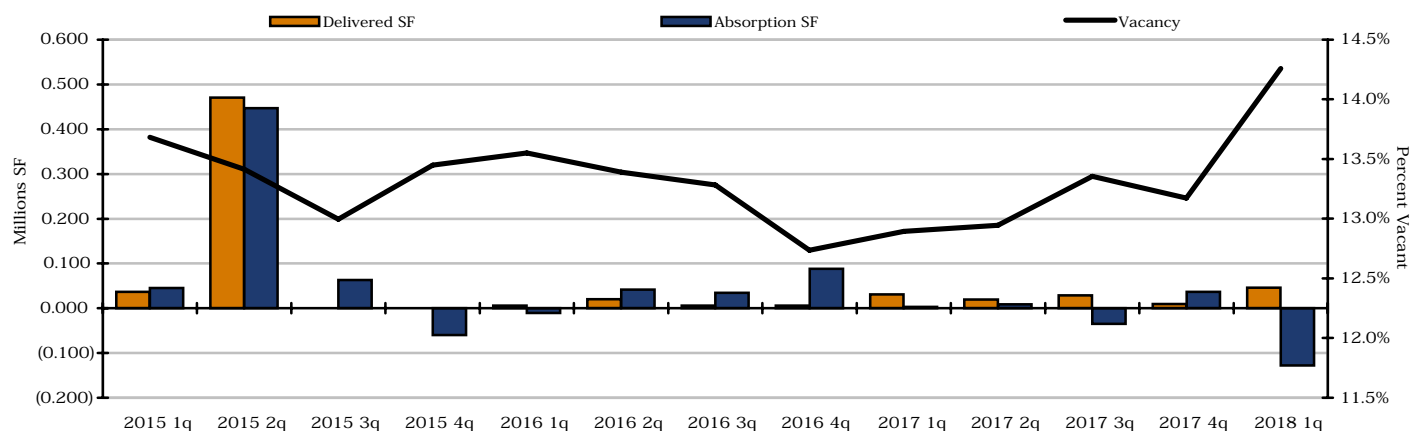
Houston Office Market



F M 1960 Market
Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

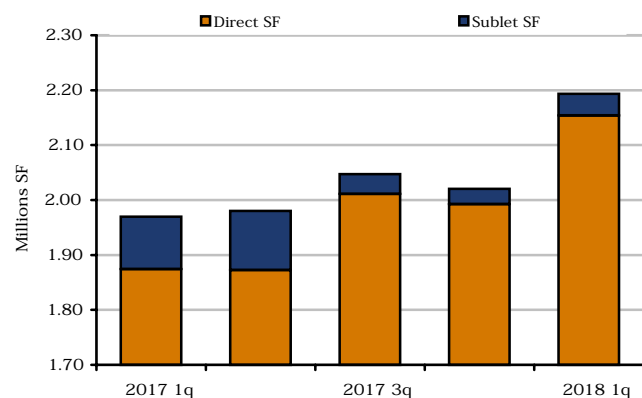
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

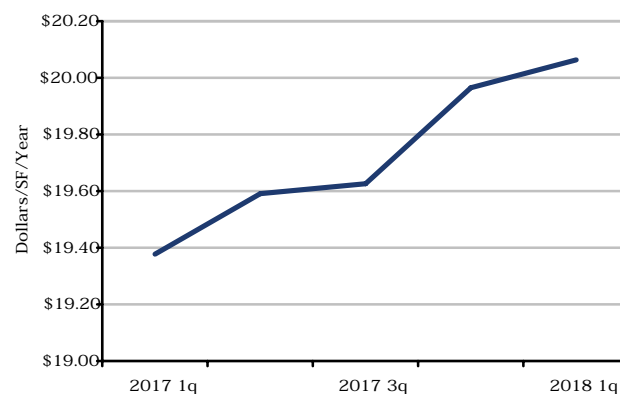
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	755	15,382,298	2,193,513	14.3%	(127,490)	2	45,787	9	100,085	\$20.06
2017 4q	753	15,336,511	2,020,236	13.2%	36,345	3	9,668	7	117,191	\$19.97
2017 3q	750	15,326,843	2,046,913	13.4%	(35,091)	2	28,805	8	106,109	\$19.63
2017 2q	747	15,295,038	1,980,017	12.9%	8,812	10	19,238	9	122,506	\$19.59
2017 1q	737	15,275,800	1,969,591	12.9%	2,901	3	30,760	17	130,807	\$19.38
2016 4q	734	15,245,040	1,941,732	12.7%	88,252	2	5,683	13	67,195	\$19.32
2016 3q	732	15,239,357	2,024,301	13.3%	34,202	2	6,000	7	58,283	\$19.11
2016 2q	729	15,218,432	2,037,578	13.4%	41,786	1	20,000	8	57,368	\$19.41
2016 1q	728	15,198,432	2,059,364	13.5%	(10,504)	1	5,625	6	64,305	\$19.29
2015 4q	727	15,192,807	2,043,235	13.4%	(59,901)	0	0	5	46,550	\$19.35
2015 3q	725	15,182,543	1,973,070	13.0%	63,366	0	0	2	10,264	\$18.93
2015 2q	725	15,182,543	2,036,436	13.4%	447,282	1	470,623	2	10,264	\$18.72
2015 1q	724	14,711,920	2,013,095	13.7%	45,284	7	36,934	3	480,887	\$18.71
2014 4q	717	14,674,986	2,021,445	13.8%	49,757	2	9,134	8	507,557	\$18.69
2014 3q	714	14,661,052	2,057,268	14.0%	59,615	1	31,320	7	514,697	\$18.39
2014 2q	712	14,626,727	2,082,558	14.2%	55,795	2	13,334	9	549,022	\$18.22

Source: CoStar Property®



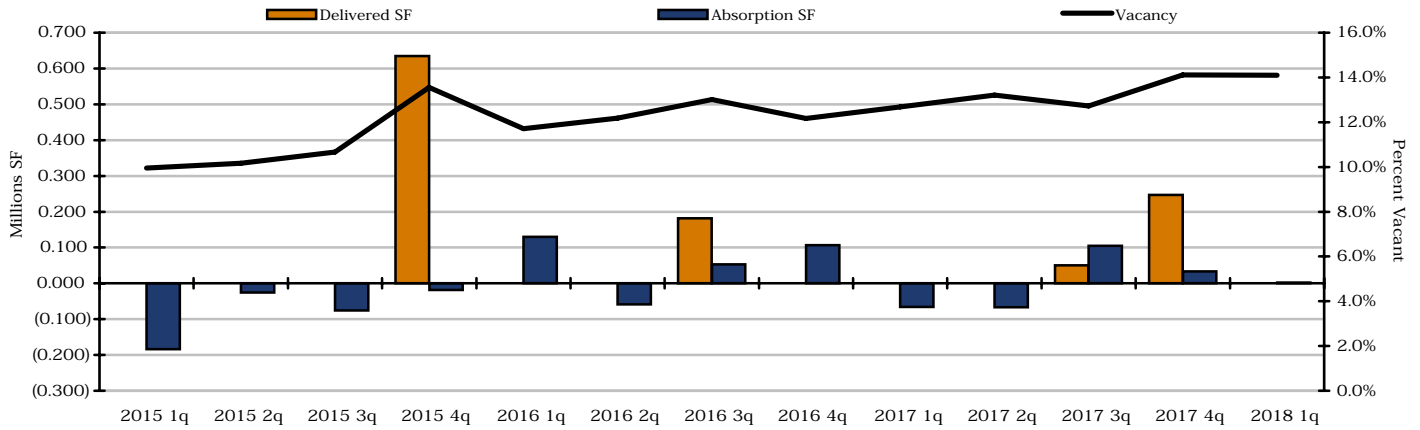
Houston Office Market

Greenway Plaza Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

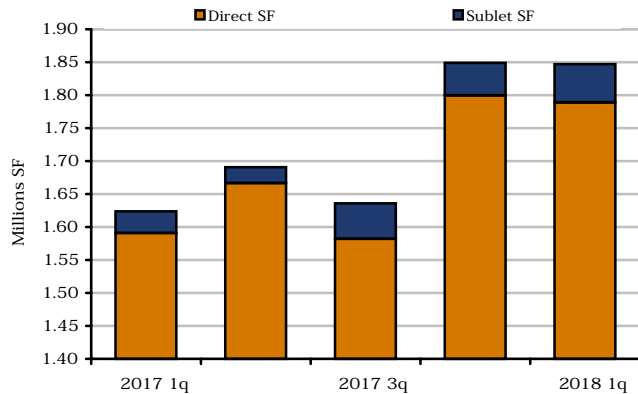
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

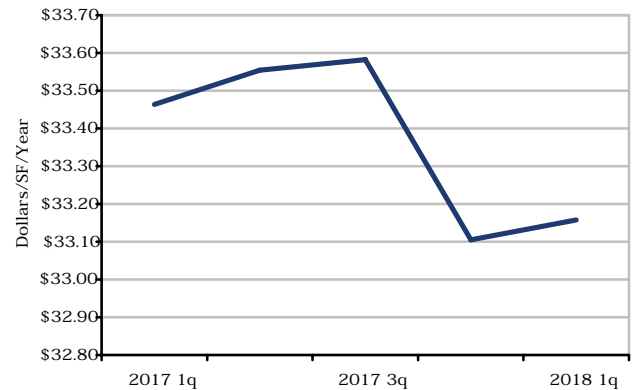
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	277	13,096,237	1,847,087	14.1%	2,013	0	0	0	0	\$33.16
2017 4q	277	13,096,237	1,849,100	14.1%	33,684	1	246,989	0	0	\$33.11
2017 3q	276	12,849,248	1,635,795	12.7%	104,803	1	50,000	1	246,989	\$33.58
2017 2q	275	12,799,248	1,690,598	13.2%	(66,812)	0	0	2	296,989	\$33.55
2017 1q	275	12,799,248	1,623,786	12.7%	(65,489)	0	0	2	296,989	\$33.46
2016 4q	275	12,799,248	1,558,297	12.2%	106,964	0	0	2	296,989	\$33.49
2016 3q	275	12,799,248	1,665,261	13.0%	53,214	1	182,000	2	296,989	\$33.67
2016 2q	274	12,617,248	1,536,475	12.2%	(58,862)	0	0	3	478,989	\$33.98
2016 1q	274	12,617,248	1,477,613	11.7%	129,720	0	0	2	428,989	\$34.20
2015 4q	276	12,735,486	1,725,571	13.5%	(18,721)	2	634,480	2	428,989	\$32.64
2015 3q	277	12,345,583	1,316,947	10.7%	(75,604)	0	0	3	816,480	\$30.59
2015 2q	278	12,360,714	1,256,474	10.2%	(25,850)	0	0	3	816,480	\$30.81
2015 1q	278	12,360,714	1,230,624	10.0%	(183,520)	0	0	3	816,480	\$31.22
2014 4q	278	12,360,714	1,047,104	8.5%	73,580	1	14,782	3	816,480	\$31.79
2014 3q	278	12,368,163	1,128,133	9.1%	(67,994)	0	0	3	649,262	\$30.88
2014 2q	278	12,368,163	1,060,139	8.6%	85,261	0	0	3	649,262	\$30.76

Source: CoStar Property®

Houston Office Market

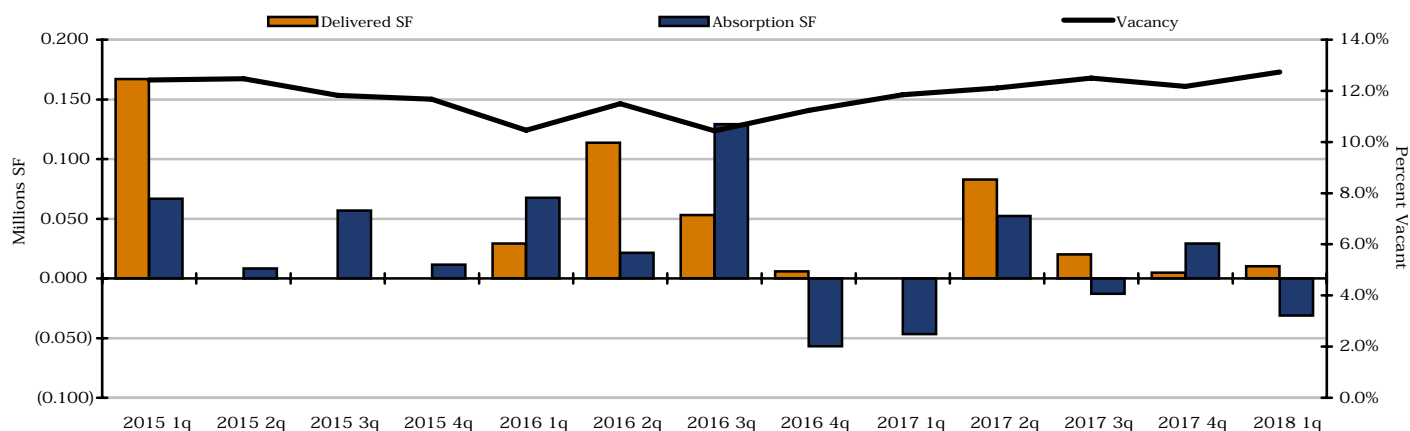


Gulf Freeway/Pasadena Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

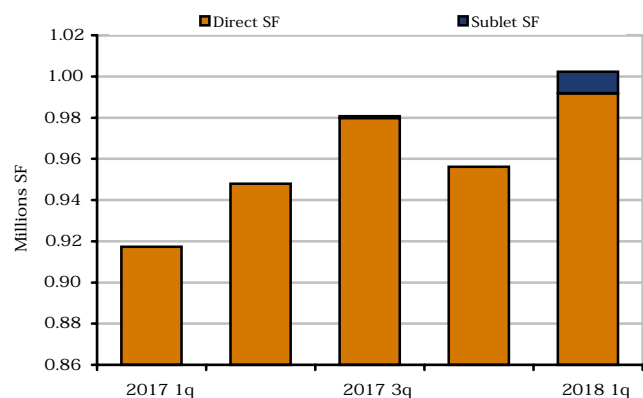
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

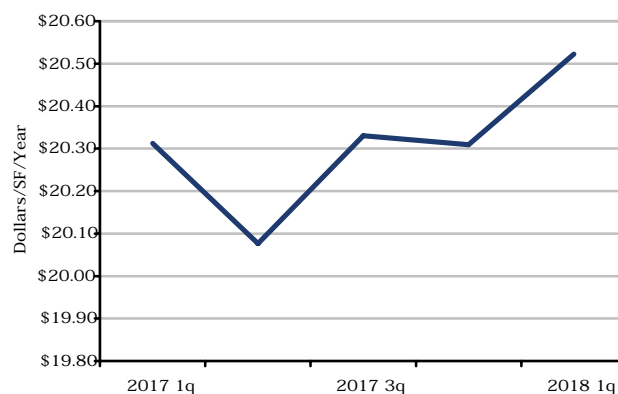
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	618	7,868,209	1,002,267	12.7%	(31,022)	1	10,304	1	8,500	\$20.52
2017 4q	616	7,853,105	956,141	12.2%	29,300	1	4,710	3	23,604	\$20.31
2017 3q	615	7,848,395	980,731	12.5%	(12,864)	1	20,000	4	28,314	\$20.33
2017 2q	614	7,828,395	947,867	12.1%	52,201	1	82,800	5	48,314	\$20.08
2017 1q	613	7,745,595	917,268	11.8%	(46,692)	0	0	4	112,310	\$20.31
2016 4q	613	7,745,595	870,576	11.2%	(56,790)	1	6,000	2	102,800	\$20.08
2016 3q	612	7,739,595	807,786	10.4%	129,353	2	53,105	2	88,800	\$19.98
2016 2q	610	7,686,490	884,034	11.5%	21,567	2	113,570	3	59,105	\$20.45
2016 1q	608	7,572,920	792,031	10.5%	67,549	3	29,234	5	172,675	\$20.36
2015 4q	606	7,600,323	886,983	11.7%	11,569	0	0	7	195,909	\$19.74
2015 3q	606	7,600,323	898,552	11.8%	56,877	0	0	5	158,339	\$19.70
2015 2q	605	7,592,073	947,179	12.5%	8,227	0	0	5	64,589	\$19.43
2015 1q	604	7,578,673	942,006	12.4%	66,630	3	167,000	2	21,650	\$19.54
2014 4q	601	7,411,673	841,636	11.4%	(7,369)	0	0	5	188,650	\$19.43
2014 3q	601	7,411,673	834,267	11.3%	(135)	0	0	4	180,400	\$19.37
2014 2q	601	7,411,673	834,132	11.3%	26,931	0	0	2	89,000	\$18.22

Source: CoStar Property®

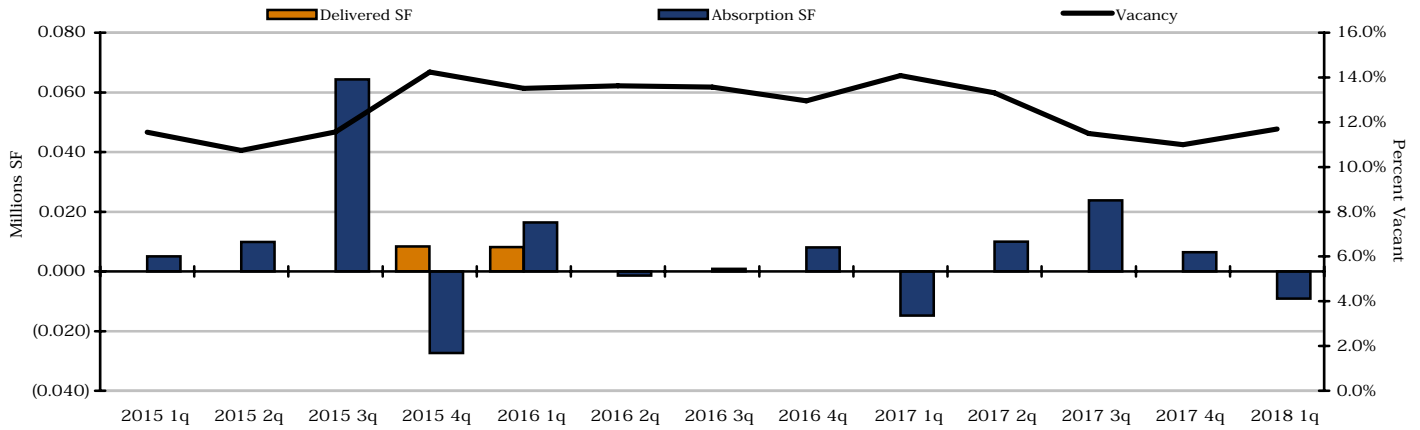


Houston Office Market

I - 10 East Market
Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

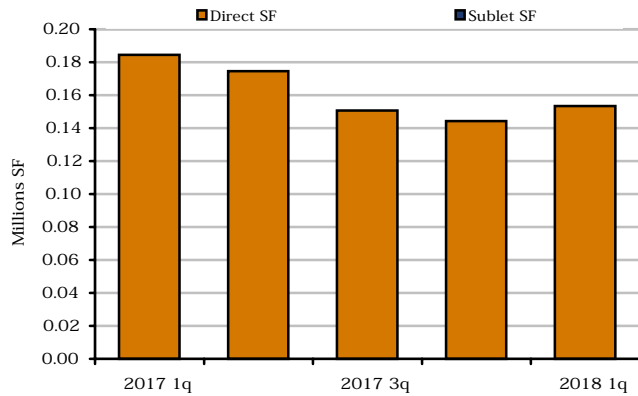
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

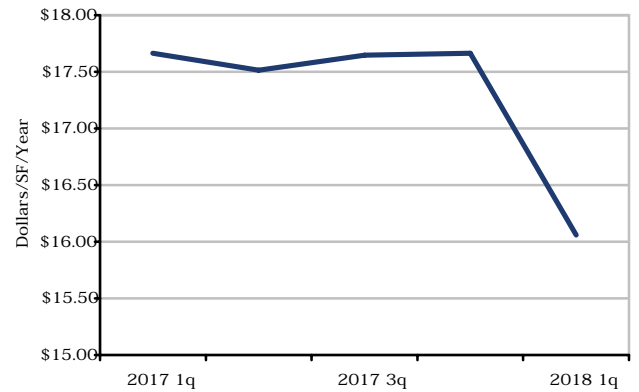
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	131	1,310,666	153,341	11.7%	(9,160)	0	0	0	0	\$16.06
2017 4q	131	1,310,666	144,181	11.0%	6,458	0	0	0	0	\$17.67
2017 3q	131	1,310,666	150,639	11.5%	23,859	0	0	0	0	\$17.65
2017 2q	131	1,310,666	174,498	13.3%	10,013	0	0	0	0	\$17.51
2017 1q	131	1,310,666	184,511	14.1%	(14,782)	0	0	0	0	\$17.67
2016 4q	131	1,310,666	169,729	12.9%	8,030	0	0	0	0	\$17.69
2016 3q	131	1,310,666	177,759	13.6%	856	0	0	0	0	\$17.89
2016 2q	131	1,310,666	178,615	13.6%	(1,426)	0	0	0	0	\$17.86
2016 1q	131	1,310,666	177,189	13.5%	16,404	1	8,100	0	0	\$14.40
2015 4q	130	1,302,566	185,493	14.2%	(27,381)	1	8,403	1	8,100	\$14.71
2015 3q	129	1,294,163	149,709	11.6%	64,337	0	0	2	16,503	\$14.56
2015 2q	128	1,210,013	129,896	10.7%	9,850	0	0	3	100,653	\$15.24
2015 1q	128	1,210,013	139,746	11.5%	4,987	0	0	1	84,150	\$15.27
2014 4q	128	1,210,013	144,733	12.0%	17,347	0	0	1	84,150	\$16.74
2014 3q	127	1,208,712	160,779	13.3%	(5,003)	0	0	2	85,451	\$15.57
2014 2q	127	1,208,712	155,776	12.9%	3,903	0	0	1	1,301	\$15.09

Source: CoStar Property®

Houston Office Market

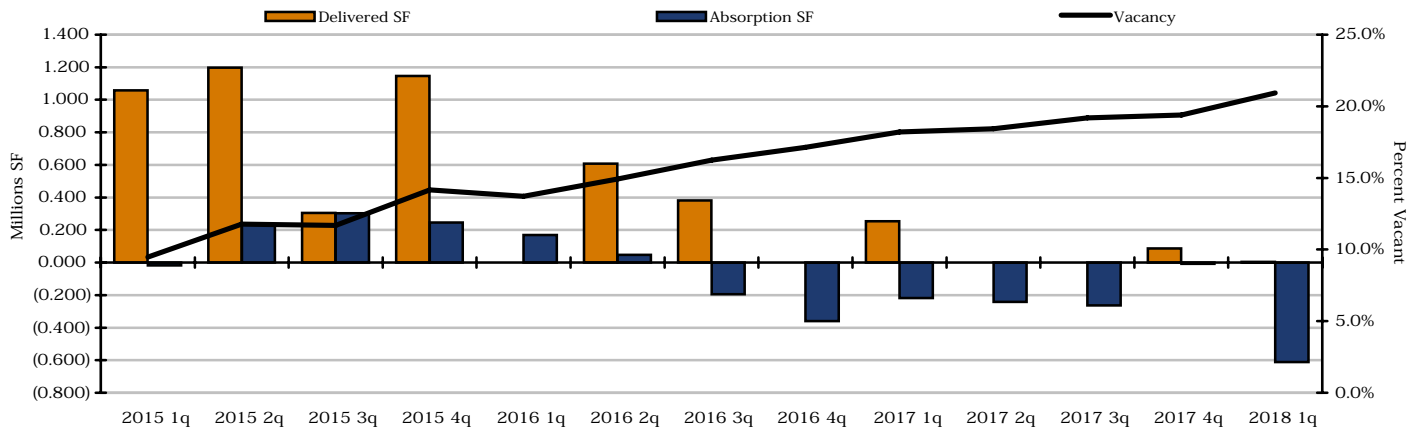


Katy Freeway Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

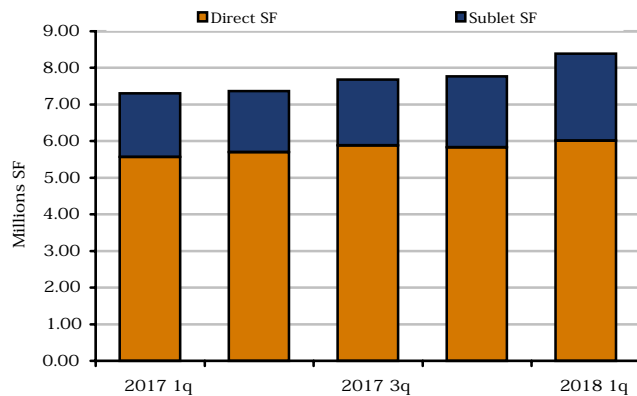
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

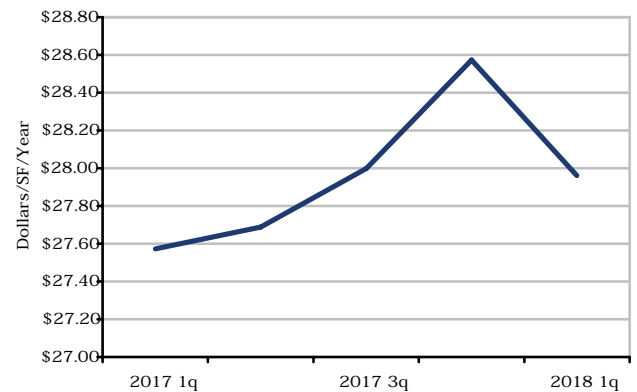
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	518	40,077,402	8,386,824	20.9%	(611,976)	1	4,320	3	112,774	\$27.96
2017 4q	517	40,073,082	7,770,528	19.4%	(8,049)	1	86,255	1	4,320	\$28.57
2017 3q	516	39,986,827	7,676,224	19.2%	(264,044)	0	0	2	90,575	\$28.00
2017 2q	514	39,936,827	7,362,180	18.4%	(242,480)	0	0	4	140,575	\$27.69
2017 1q	517	40,124,853	7,307,726	18.2%	(218,968)	2	254,513	3	136,255	\$27.57
2016 4q	515	39,870,340	6,834,245	17.1%	(360,485)	0	0	5	390,768	\$27.74
2016 3q	515	39,870,340	6,473,760	16.2%	(194,869)	1	381,350	5	390,768	\$27.89
2016 2q	514	39,488,990	5,897,541	14.9%	47,199	2	606,925	5	685,863	\$29.26
2016 1q	512	38,882,065	5,337,815	13.7%	168,553	0	0	4	1,226,448	\$30.26
2015 4q	512	38,882,065	5,506,368	14.2%	246,175	3	1,145,458	4	1,226,448	\$30.49
2015 3q	508	37,509,544	4,380,022	11.7%	303,790	2	305,807	7	2,360,796	\$30.63
2015 2q	506	37,203,737	4,378,005	11.8%	233,223	4	1,197,917	9	2,666,603	\$30.69
2015 1q	502	36,006,560	3,414,051	9.5%	(18,378)	4	1,058,277	14	3,865,780	\$30.50
2014 4q	498	34,948,283	2,337,396	6.7%	910,846	4	712,268	18	4,924,057	\$30.48
2014 3q	494	34,236,015	2,535,974	7.4%	(65,344)	4	563,344	19	5,076,990	\$29.92
2014 2q	490	33,672,671	1,907,286	5.7%	627,115	3	571,108	21	5,114,675	\$29.59

Source: CoStar Property®



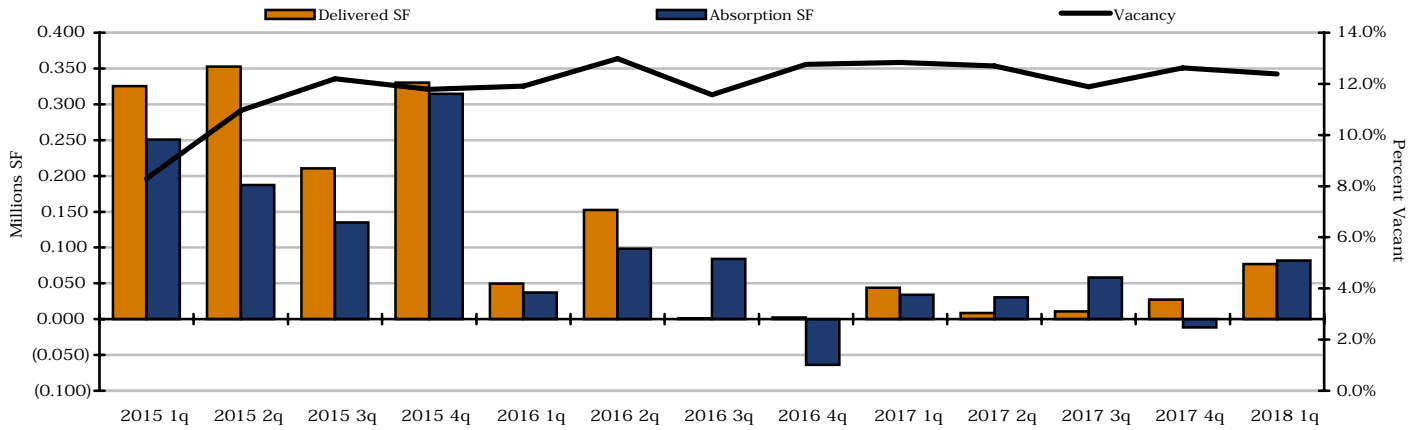
Houston Office Market

Katy/Grand Parkway West Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

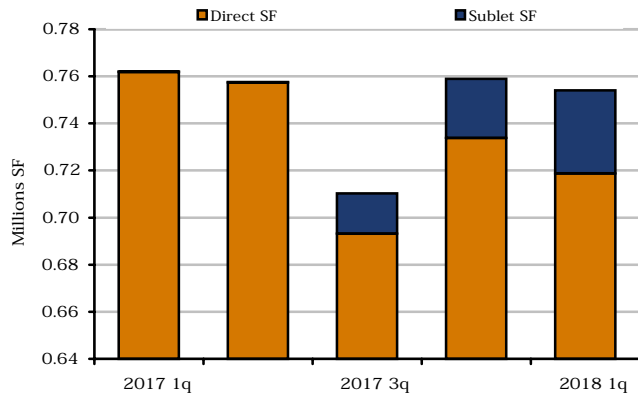
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

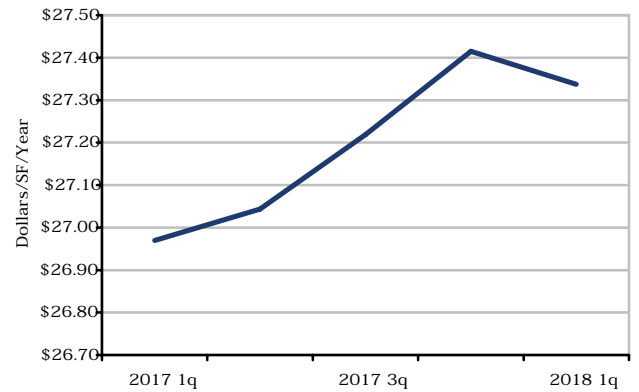
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	391	6,088,611	754,095	12.4%	81,756	2	76,945	6	30,500	\$27.34
2017 4q	389	6,011,666	758,906	12.6%	(11,576)	2	27,323	6	97,645	\$27.42
2017 3q	385	5,974,543	710,207	11.9%	58,249	2	10,827	10	134,768	\$27.22
2017 2q	383	5,963,716	757,629	12.7%	30,445	2	8,400	10	136,295	\$27.04
2017 1q	380	5,937,716	762,074	12.8%	34,059	4	43,834	11	85,250	\$26.97
2016 4q	376	5,893,882	752,299	12.8%	(63,765)	1	2,475	12	113,761	\$27.47
2016 3q	374	5,886,507	681,159	11.6%	84,292	1	1,200	10	87,909	\$26.95
2016 2q	373	5,885,307	764,251	13.0%	98,172	3	152,582	8	53,559	\$27.01
2016 1q	366	5,701,821	678,937	11.9%	37,200	4	49,678	12	201,245	\$27.31
2015 4q	362	5,652,143	666,459	11.8%	314,573	3	330,362	12	238,064	\$27.13
2015 3q	358	5,320,281	649,170	12.2%	134,952	4	210,370	14	544,411	\$26.32
2015 2q	352	5,094,541	558,382	11.0%	187,392	6	352,647	16	635,831	\$26.54
2015 1q	346	4,741,894	393,127	8.3%	250,557	6	325,528	17	943,227	\$26.05
2014 4q	340	4,416,366	318,156	7.2%	141,718	2	77,860	18	1,131,068	\$25.99
2014 3q	336	4,219,192	262,700	6.2%	120,088	1	7,300	18	1,153,999	\$25.16
2014 2q	334	4,206,592	370,188	8.8%	200	1	203,149	15	1,007,493	\$25.50

Source: CoStar Property®

Houston Office Market

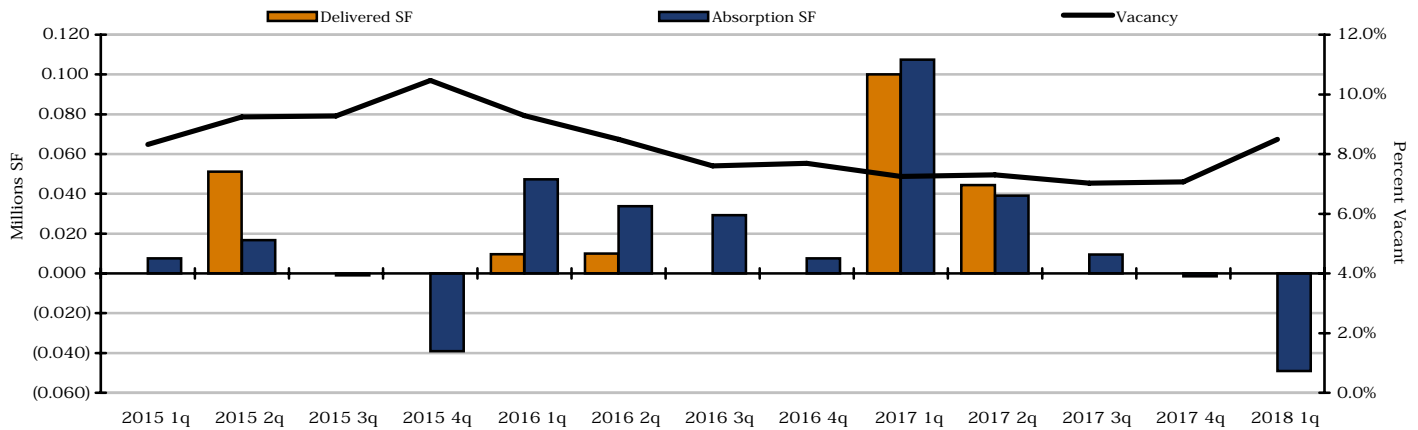


Kingwood/Humble Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

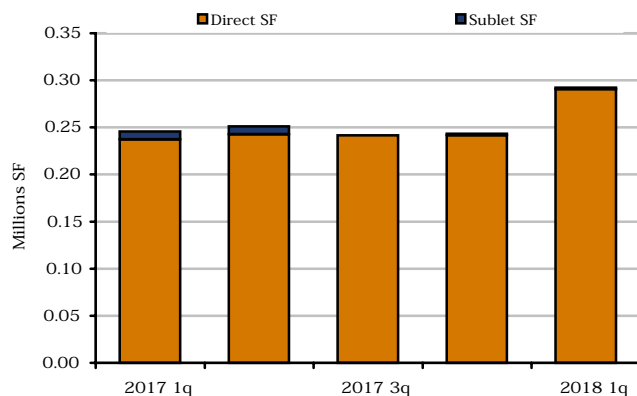
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

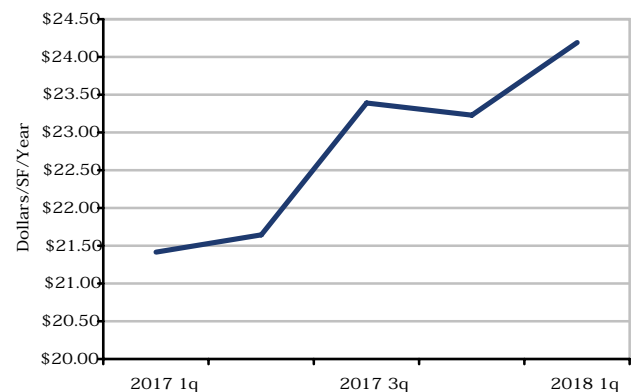
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	219	3,438,021	292,146	8.5%	(48,998)	0	0	1	100,000	\$24.19
2017 4q	219	3,438,021	243,148	7.1%	(1,495)	0	0	1	100,000	\$23.23
2017 3q	219	3,438,021	241,653	7.0%	9,542	0	0	1	100,000	\$23.39
2017 2q	219	3,438,021	251,195	7.3%	39,089	1	44,450	1	100,000	\$21.64
2017 1q	218	3,393,571	245,834	7.2%	107,408	1	100,000	1	44,450	\$21.42
2016 4q	217	3,293,571	253,242	7.7%	7,584	0	0	2	144,450	\$21.11
2016 3q	216	3,282,171	249,426	7.6%	29,206	0	0	3	155,850	\$22.01
2016 2q	216	3,282,171	278,632	8.5%	33,770	2	9,900	3	155,850	\$22.01
2016 1q	215	3,273,807	304,038	9.3%	47,289	2	9,600	5	165,750	\$22.21
2015 4q	213	3,264,207	341,727	10.5%	(39,027)	0	0	5	63,950	\$22.41
2015 3q	213	3,264,207	302,700	9.3%	(955)	0	0	4	19,500	\$22.55
2015 2q	213	3,264,207	301,745	9.2%	16,805	2	51,154	2	9,600	\$22.09
2015 1q	211	3,213,053	267,396	8.3%	7,498	0	0	2	51,154	\$21.77
2014 4q	211	3,213,053	274,894	8.6%	2,235	0	0	2	51,154	\$21.80
2014 3q	211	3,213,053	277,129	8.6%	73,935	0	0	2	51,154	\$21.80
2014 2q	210	3,145,179	283,190	9.0%	12,055	0	0	2	97,874	\$22.07

Source: CoStar Property®



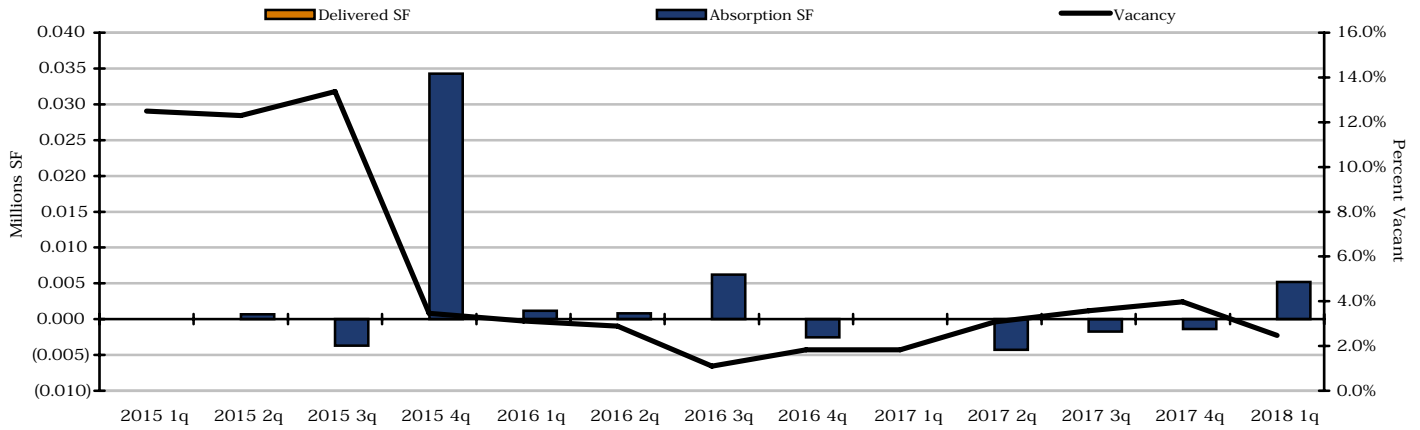
Houston Office Market

Liberty County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

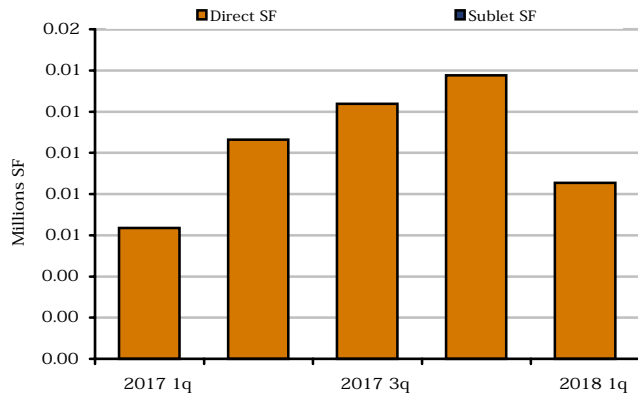
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

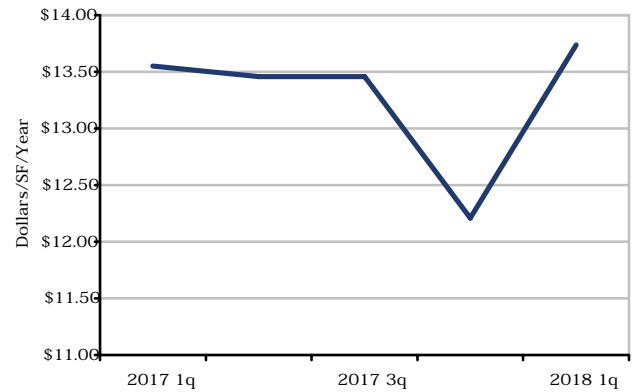
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	67	346,290	8,548	2.5%	5,210	0	0	0	0	\$13.74
2017 4q	67	346,290	13,758	4.0%	(1,376)	0	0	0	0	\$12.21
2017 3q	67	346,290	12,382	3.6%	(1,748)	0	0	0	0	\$13.46
2017 2q	67	346,290	10,634	3.1%	(4,285)	0	0	0	0	\$13.46
2017 1q	67	346,290	6,349	1.8%	0	0	0	0	0	\$13.55
2016 4q	67	346,290	6,349	1.8%	(2,534)	0	0	0	0	\$13.65
2016 3q	67	346,290	3,815	1.1%	6,200	0	0	0	0	\$13.98
2016 2q	67	346,290	10,015	2.9%	800	0	0	0	0	\$15.38
2016 1q	67	346,290	10,815	3.1%	1,184	0	0	0	0	\$15.34
2015 4q	67	346,290	11,999	3.5%	34,275	0	0	0	0	\$14.52
2015 3q	67	346,290	46,274	13.4%	(3,699)	0	0	0	0	\$14.50
2015 2q	67	346,290	42,575	12.3%	700	0	0	0	0	\$14.53
2015 1q	67	346,290	43,275	12.5%	0	0	0	0	0	\$14.53
2014 4q	67	346,290	43,275	12.5%	(3,200)	0	0	0	0	\$15.10
2014 3q	67	346,290	40,075	11.6%	500	0	0	0	0	\$14.90
2014 2q	67	346,290	40,575	11.7%	1,272	0	0	0	0	\$14.90

Source: CoStar Property®

Houston Office Market

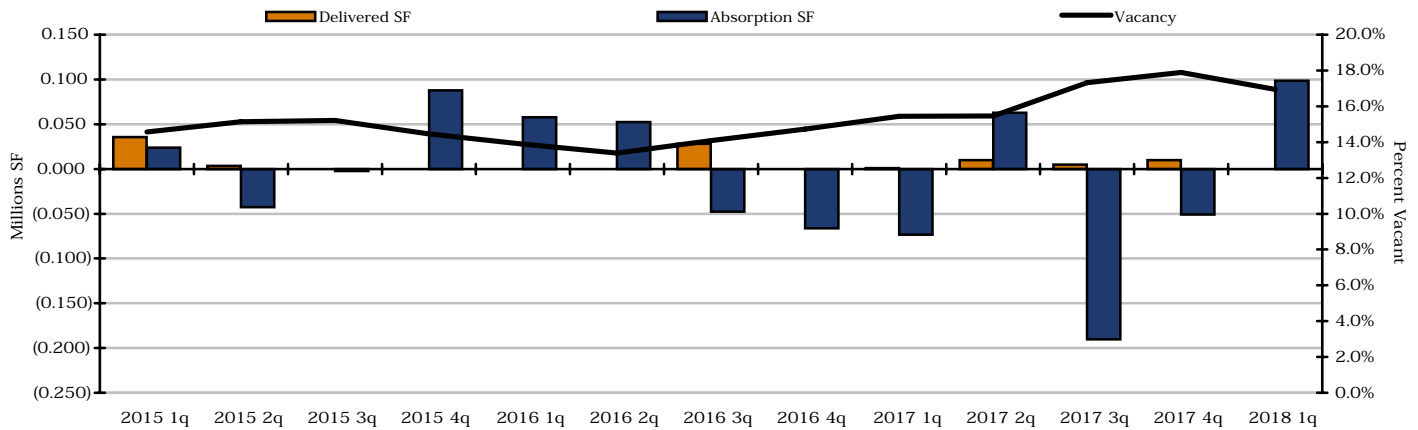


NASA / Clear Lake Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

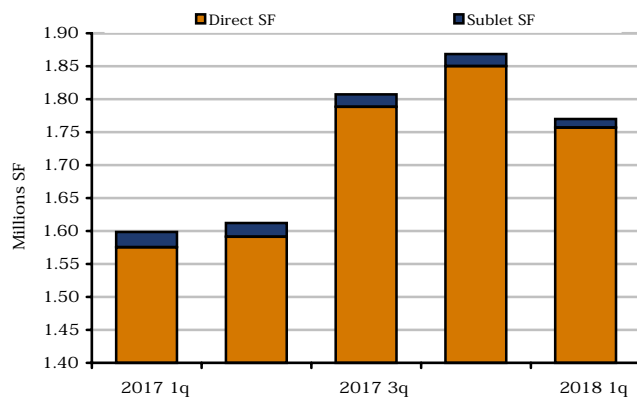
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

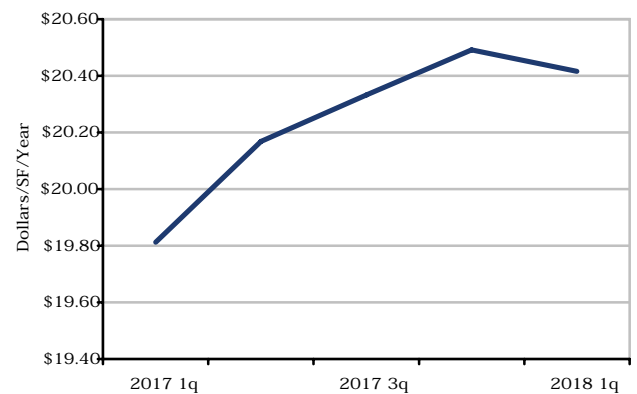
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	518	10,445,743	1,769,930	16.9%	98,379	0	0	1	7,400	\$20.42
2017 4q	518	10,445,743	1,868,309	17.9%	(50,883)	1	10,000	1	7,400	\$20.49
2017 3q	517	10,435,743	1,807,426	17.3%	(190,331)	1	5,000	1	10,000	\$20.33
2017 2q	516	10,430,743	1,612,095	15.5%	62,690	1	10,000	2	15,000	\$20.17
2017 1q	513	10,354,557	1,598,599	15.4%	(73,578)	1	1,010	5	91,186	\$19.81
2016 4q	512	10,353,547	1,524,011	14.7%	(66,119)	0	0	5	82,196	\$19.83
2016 3q	512	10,353,547	1,457,892	14.1%	(47,516)	2	28,000	3	67,196	\$19.67
2016 2q	510	10,325,547	1,382,376	13.4%	52,467	0	0	4	92,010	\$19.86
2016 1q	510	10,325,547	1,434,843	13.9%	57,672	0	0	2	28,000	\$19.27
2015 4q	510	10,325,547	1,492,515	14.5%	87,894	0	0	2	28,000	\$19.81
2015 3q	509	10,314,243	1,569,105	15.2%	(2,125)	0	0	3	39,304	\$20.18
2015 2q	508	10,306,743	1,559,480	15.1%	(42,807)	1	3,300	2	18,804	\$20.16
2015 1q	506	10,289,443	1,499,373	14.6%	23,881	4	35,448	4	36,104	\$19.81
2014 4q	503	10,257,743	1,491,554	14.5%	84,733	1	18,000	7	60,248	\$20.01
2014 3q	501	10,233,402	1,551,946	15.2%	143,469	1	55,000	8	77,089	\$19.40
2014 2q	500	10,178,402	1,640,415	16.1%	11,242	0	0	6	109,784	\$19.13

Source: CoStar Property®



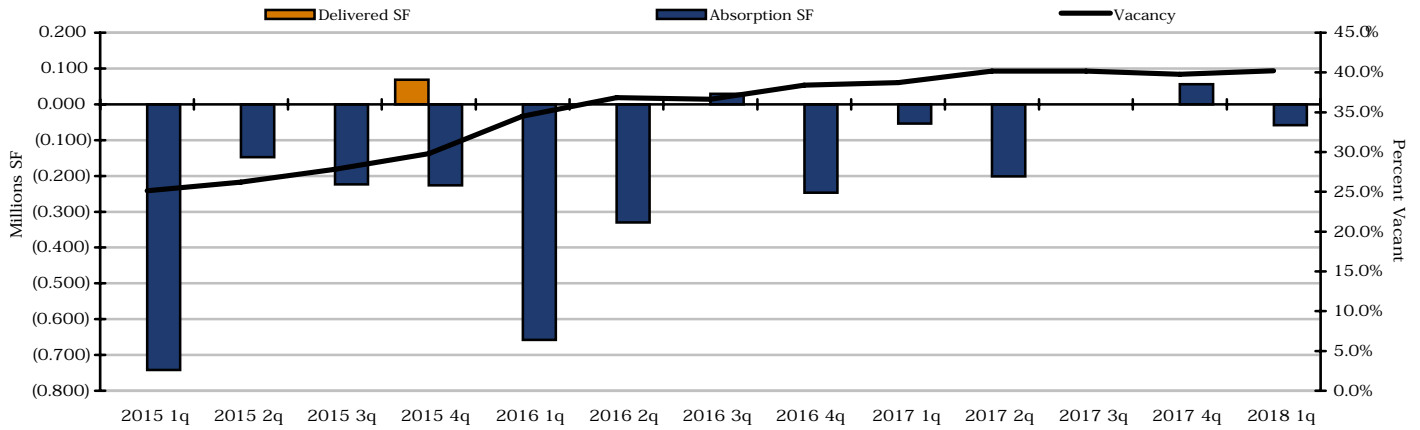
Houston Office Market

North Belt Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

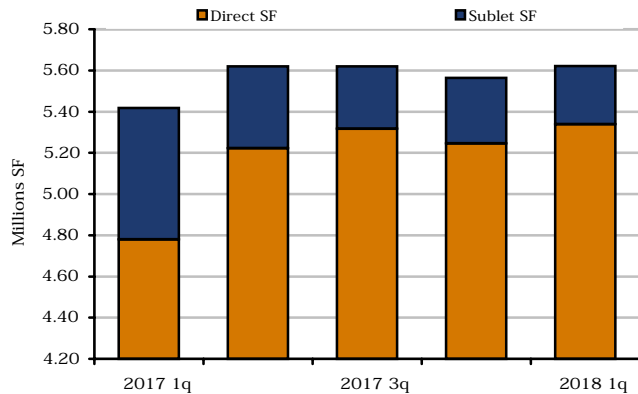
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

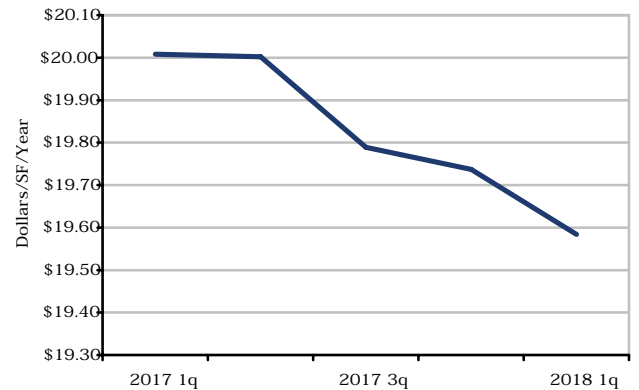
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	172	13,985,494	5,622,062	40.2%	(58,712)	0	0	0	0	\$19.58
2017 4q	172	13,985,494	5,563,350	39.8%	56,182	0	0	0	0	\$19.74
2017 3q	172	13,985,494	5,619,532	40.2%	(495)	0	0	0	0	\$19.79
2017 2q	172	13,985,494	5,619,037	40.2%	(201,072)	0	0	0	0	\$20.00
2017 1q	172	13,985,494	5,417,965	38.7%	(53,887)	0	0	0	0	\$20.01
2016 4q	173	13,995,494	5,374,078	38.4%	(246,594)	0	0	0	0	\$20.69
2016 3q	173	13,995,494	5,127,484	36.6%	29,535	0	0	0	0	\$20.27
2016 2q	173	13,995,494	5,157,019	36.8%	(330,310)	0	0	0	0	\$20.43
2016 1q	173	13,995,494	4,826,709	34.5%	(658,150)	0	0	0	0	\$20.59
2015 4q	173	13,995,494	4,168,559	29.8%	(226,123)	1	68,950	0	0	\$20.99
2015 3q	172	13,926,544	3,873,486	27.8%	(223,152)	0	0	1	68,950	\$22.00
2015 2q	172	13,926,544	3,650,334	26.2%	(147,724)	0	0	1	68,950	\$22.13
2015 1q	172	13,926,544	3,502,610	25.2%	(742,292)	0	0	1	68,950	\$22.92
2014 4q	172	13,926,544	2,760,318	19.8%	(370,942)	0	0	1	68,950	\$22.40
2014 3q	172	13,926,544	2,389,376	17.2%	(146,412)	0	0	0	0	\$22.40
2014 2q	172	13,926,544	2,242,964	16.1%	117,688	0	0	0	0	\$23.52

Source: CoStar Property®

Houston Office Market

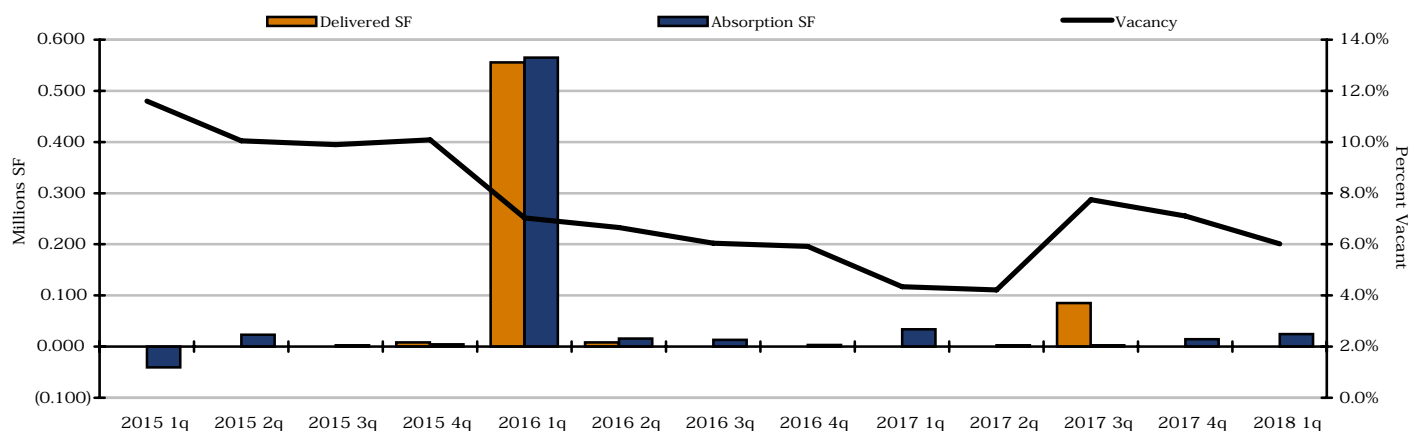


Northeast Near Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

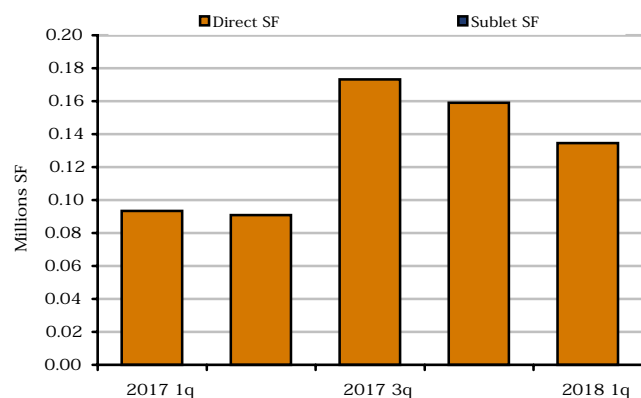
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

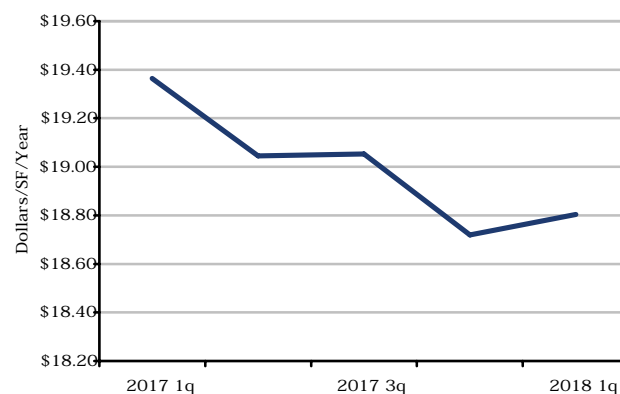
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	145	2,237,421	134,659	6.0%	24,313	0	0	0	0	\$18.80
2017 4q	145	2,237,421	158,972	7.1%	14,318	0	0	0	0	\$18.72
2017 3q	145	2,237,421	173,290	7.7%	2,516	1	85,000	0	0	\$19.05
2017 2q	144	2,152,421	90,806	4.2%	2,627	0	0	1	85,000	\$19.05
2017 1q	144	2,152,421	93,433	4.3%	33,856	0	0	1	85,000	\$19.36
2016 4q	144	2,152,421	127,289	5.9%	2,905	0	0	1	85,000	\$19.53
2016 3q	144	2,152,421	130,194	6.0%	13,115	0	0	1	85,000	\$19.43
2016 2q	144	2,152,421	143,309	6.7%	16,031	1	8,500	0	0	\$19.34
2016 1q	143	2,143,921	150,840	7.0%	565,024	2	555,700	1	8,500	\$19.41
2015 4q	141	1,588,221	160,164	10.1%	4,197	1	8,040	3	564,200	\$19.16
2015 3q	140	1,580,181	156,321	9.9%	2,344	0	0	4	572,240	\$19.06
2015 2q	140	1,580,181	158,665	10.0%	23,121	0	0	3	563,740	\$17.11
2015 1q	141	1,581,853	183,458	11.6%	(40,429)	0	0	3	563,740	\$17.32
2014 4q	141	1,581,853	143,029	9.0%	(982)	0	0	1	8,040	\$17.71
2014 3q	141	1,581,853	142,047	9.0%	33,059	0	0	0	0	\$16.79
2014 2q	141	1,581,853	175,106	11.1%	10,562	0	0	0	0	\$16.80

Source: CoStar Property®



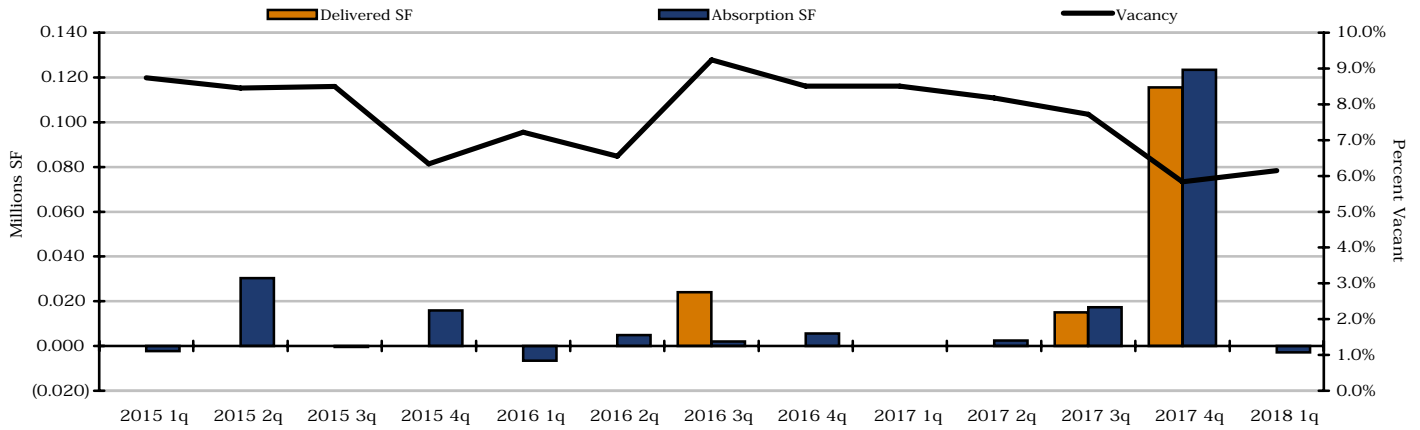
Houston Office Market

Northeast Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

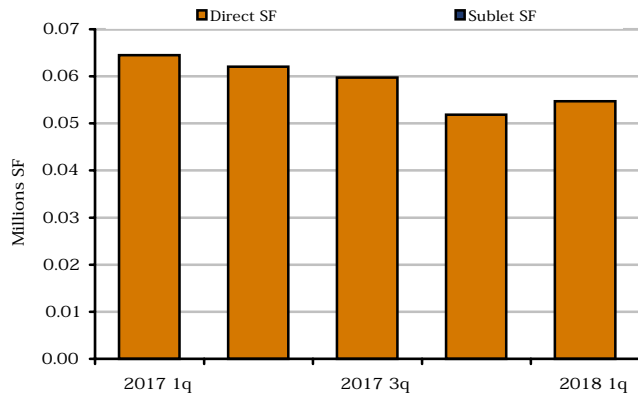
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

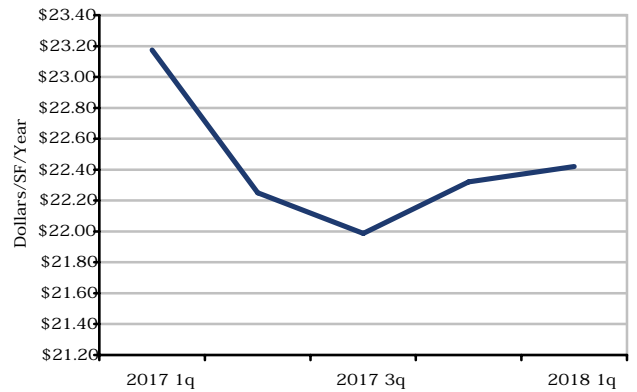
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	84	888,965	54,690	6.2%	(2,840)	0	0	0	0	\$22.42
2017 4q	84	888,965	51,850	5.8%	123,460	1	115,601	0	0	\$22.32
2017 3q	83	773,364	59,709	7.7%	17,330	1	15,000	1	115,601	\$21.99
2017 2q	82	758,364	62,039	8.2%	2,450	0	0	2	130,601	\$22.25
2017 1q	82	758,364	64,489	8.5%	7	0	0	2	130,601	\$23.17
2016 4q	82	758,364	64,496	8.5%	5,588	0	0	1	115,601	\$23.07
2016 3q	82	758,364	70,084	9.2%	2,044	1	24,000	0	0	\$22.90
2016 2q	81	734,364	48,128	6.6%	4,916	0	0	1	24,000	\$22.65
2016 1q	81	734,364	53,044	7.2%	(6,521)	0	0	1	24,000	\$22.26
2015 4q	81	734,364	46,523	6.3%	15,909	0	0	1	24,000	\$21.60
2015 3q	81	734,364	62,432	8.5%	(345)	0	0	0	0	\$20.33
2015 2q	81	734,364	62,087	8.5%	30,363	0	0	0	0	\$20.68
2015 1q	80	703,404	61,490	8.7%	(2,232)	0	0	1	30,960	\$21.49
2014 4q	80	703,404	59,258	8.4%	5,387	1	36,400	1	30,960	\$20.51
2014 3q	79	667,004	28,245	4.2%	1,130	0	0	2	67,360	\$20.04
2014 2q	79	667,004	29,375	4.4%	672	0	0	1	36,400	\$19.64

Source: CoStar Property®

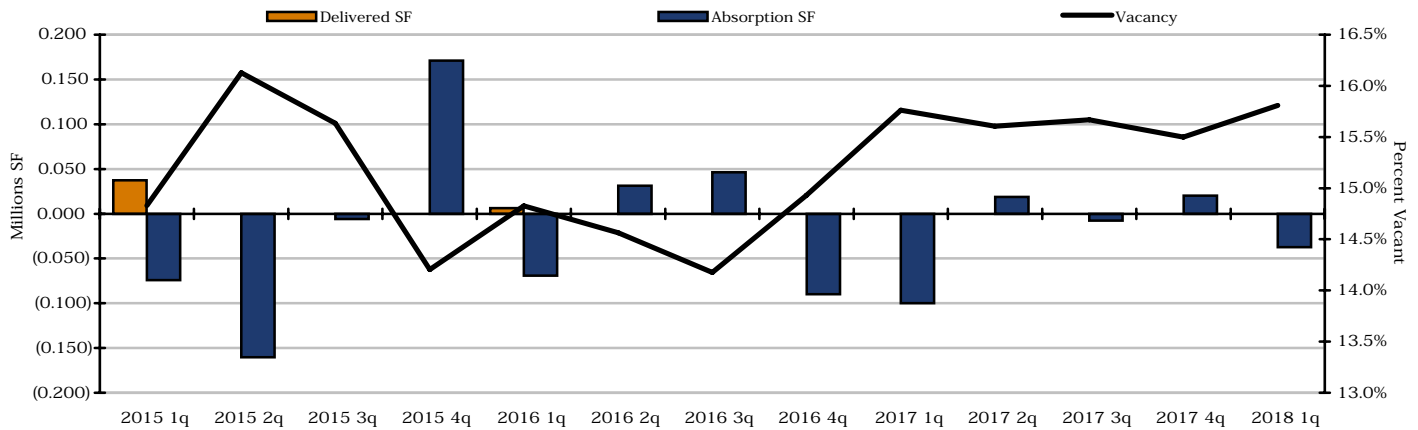
Houston Office Market



Northwest Market Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

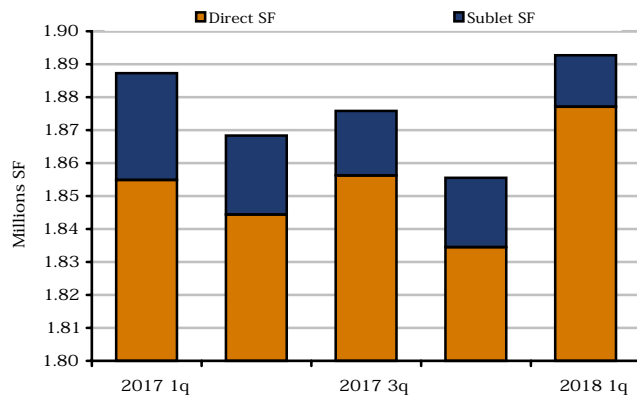
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

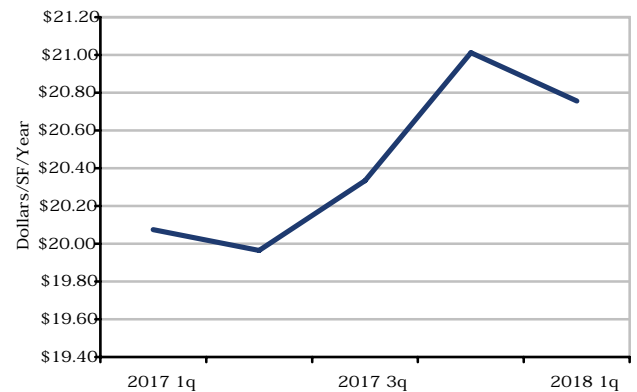
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	517	11,972,791	1,892,764	15.8%	(37,236)	0	0	2	25,020	\$20.76
2017 4q	517	11,972,791	1,855,528	15.5%	20,288	0	0	2	25,020	\$21.01
2017 3q	517	11,972,791	1,875,816	15.7%	(7,510)	0	0	1	15,000	\$20.33
2017 2q	517	11,972,791	1,868,306	15.6%	18,935	0	0	1	15,000	\$19.96
2017 1q	517	11,972,791	1,887,241	15.8%	(99,898)	0	0	1	15,000	\$20.07
2016 4q	517	11,972,791	1,787,343	14.9%	(89,888)	0	0	1	15,000	\$19.89
2016 3q	517	11,972,791	1,697,455	14.2%	46,300	0	0	1	15,000	\$19.72
2016 2q	517	11,972,791	1,743,755	14.6%	31,388	0	0	1	15,000	\$19.41
2016 1q	517	11,972,791	1,775,143	14.8%	(69,106)	2	6,360	1	15,000	\$19.48
2015 4q	515	11,966,431	1,699,677	14.2%	171,067	0	0	2	6,360	\$19.73
2015 3q	515	11,966,431	1,870,744	15.6%	(5,973)	0	0	2	6,360	\$19.66
2015 2q	516	12,043,887	1,942,227	16.1%	(160,466)	0	0	1	3,560	\$19.73
2015 1q	517	12,049,177	1,787,051	14.8%	(74,198)	1	37,220	0	0	\$19.86
2014 4q	516	12,011,957	1,675,633	13.9%	206,665	0	0	1	37,220	\$19.76
2014 3q	516	12,011,957	1,882,298	15.7%	94,845	1	3,106	1	37,220	\$19.62
2014 2q	514	12,004,351	1,969,537	16.4%	99,042	1	10,352	3	44,826	\$20.00

Source: CoStar Property®



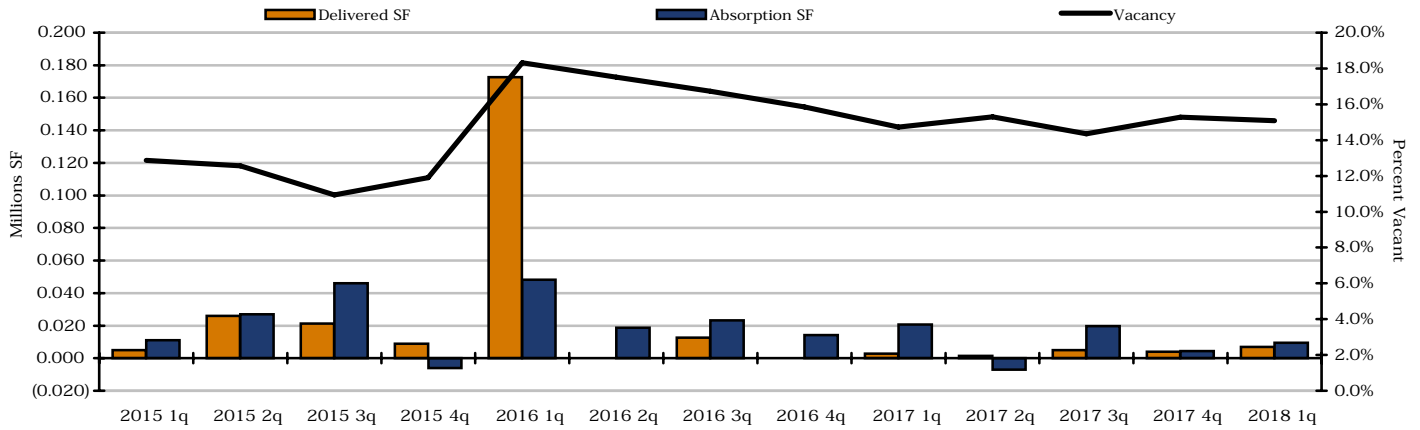
Houston Office Market

Northwest Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

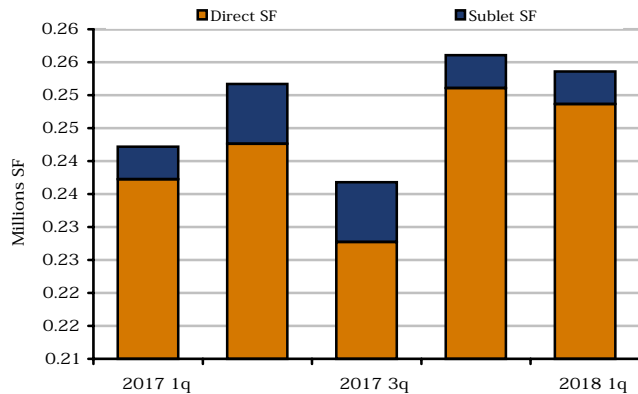
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

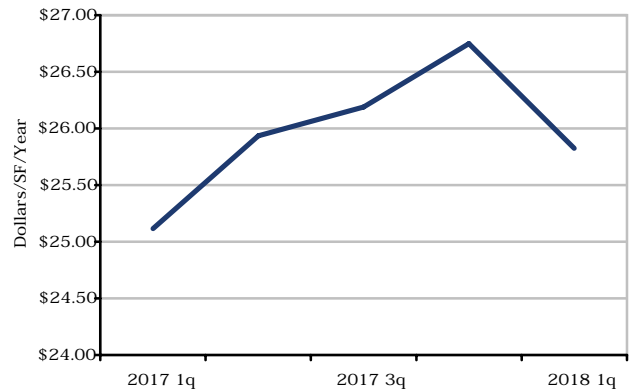
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	225	1,681,648	253,581	15.1%	9,470	2	7,000	4	20,555	\$25.82
2017 4q	223	1,674,648	256,051	15.3%	4,436	1	4,000	5	21,750	\$26.75
2017 3q	221	1,650,971	236,810	14.3%	19,797	3	4,889	4	33,377	\$26.19
2017 2q	218	1,646,082	251,718	15.3%	(7,048)	1	1,509	7	38,266	\$25.93
2017 1q	216	1,643,613	242,201	14.7%	20,783	1	2,728	6	28,903	\$25.11
2016 4q	215	1,640,885	260,256	15.9%	14,290	0	0	4	27,365	\$25.35
2016 3q	215	1,640,885	274,546	16.7%	23,193	1	12,592	4	27,365	\$25.68
2016 2q	214	1,628,293	285,147	17.5%	18,773	0	0	3	36,269	\$25.70
2016 1q	212	1,621,295	296,922	18.3%	48,214	4	172,755	3	19,590	\$25.56
2015 4q	208	1,448,540	172,381	11.9%	(6,018)	3	8,818	6	179,753	\$25.96
2015 3q	205	1,439,722	157,545	10.9%	46,136	4	21,200	8	185,571	\$26.37
2015 2q	200	1,413,622	177,581	12.6%	26,917	1	26,000	12	207,673	\$26.26
2015 1q	199	1,387,622	178,498	12.9%	11,134	1	4,900	9	221,872	\$26.00
2014 4q	198	1,382,722	184,732	13.4%	16,720	0	0	4	42,400	\$21.52
2014 3q	198	1,382,722	201,452	14.6%	5,762	0	0	2	30,900	\$21.38
2014 2q	198	1,382,722	207,214	15.0%	23,961	0	0	2	30,900	\$21.50

Source: CoStar Property®

Houston Office Market

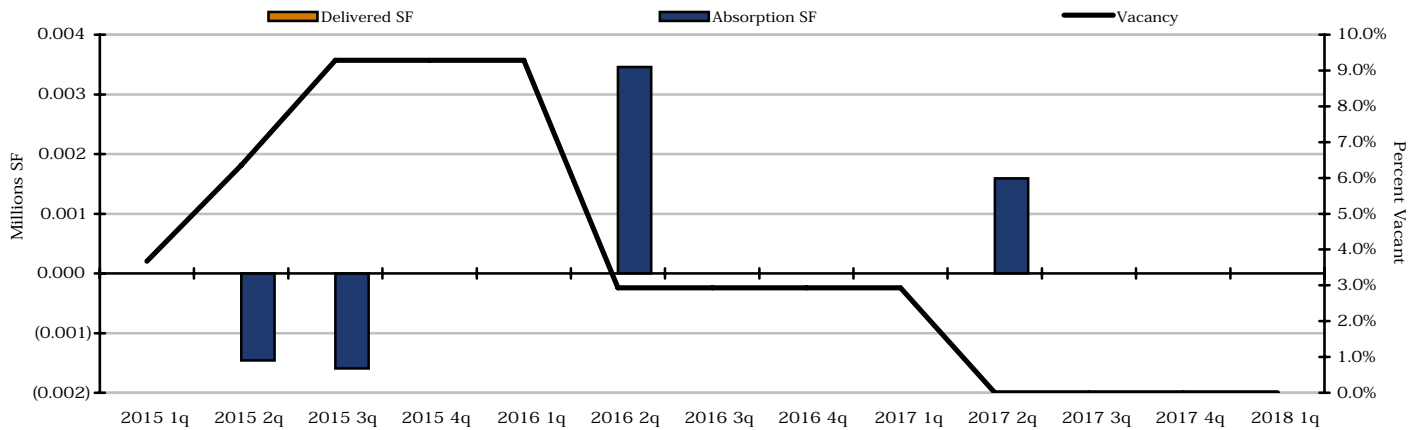


Outlying Chambers County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

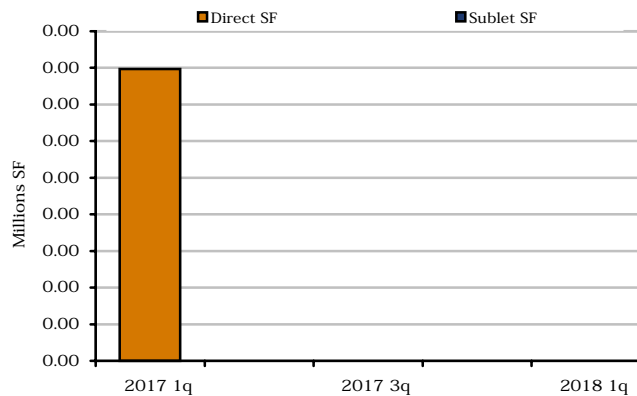
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	19	54,401	0	0.0%	0	0	0	0	0	\$0.00
2017 4q	19	54,401	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	19	54,401	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	19	54,401	0	0.0%	1,593	0	0	0	0	\$0.00
2017 1q	19	54,401	1,593	2.9%	0	0	0	0	0	\$0.00
2016 4q	19	54,401	1,593	2.9%	0	0	0	0	0	\$0.00
2016 3q	19	54,401	1,593	2.9%	0	0	0	0	0	\$0.00
2016 2q	19	54,401	1,593	2.9%	3,458	0	0	0	0	\$0.00
2016 1q	19	54,401	5,051	9.3%	0	0	0	0	0	\$0.00
2015 4q	19	54,401	5,051	9.3%	0	0	0	0	0	\$0.00
2015 3q	19	54,401	5,051	9.3%	(1,593)	0	0	0	0	\$0.00
2015 2q	19	54,401	3,458	6.4%	(1,458)	0	0	0	0	\$0.00
2015 1q	19	54,401	2,000	3.7%	0	0	0	0	0	\$0.00
2014 4q	19	54,401	2,000	3.7%	4,200	0	0	0	0	\$0.00
2014 3q	19	54,401	6,200	11.4%	0	0	0	0	0	\$0.00
2014 2q	19	54,401	6,200	11.4%	0	0	0	0	0	\$0.00

Source: CoStar Property®



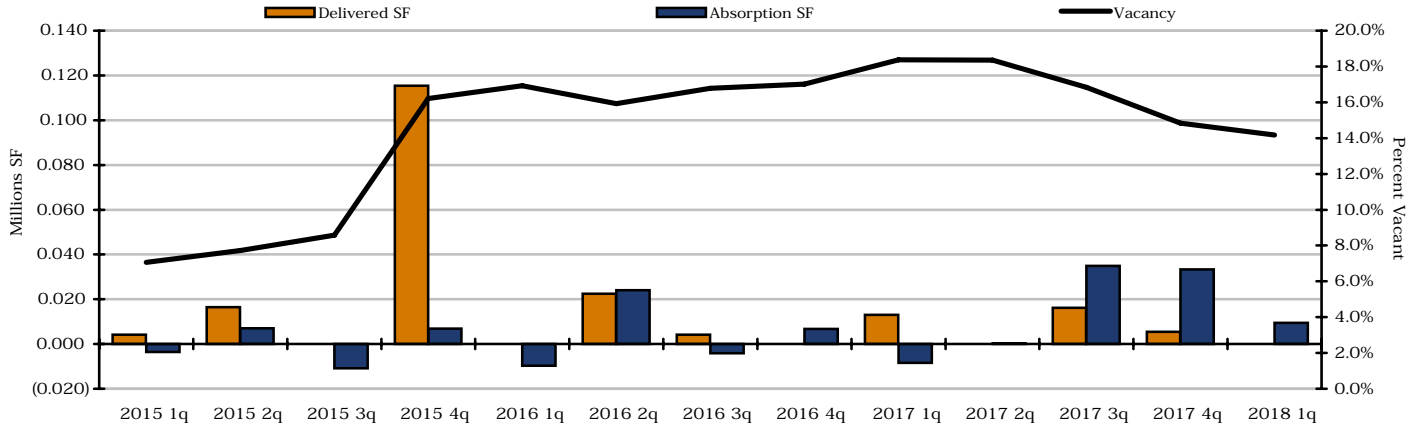
Houston Office Market

Outlying Montgomery Cnty Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

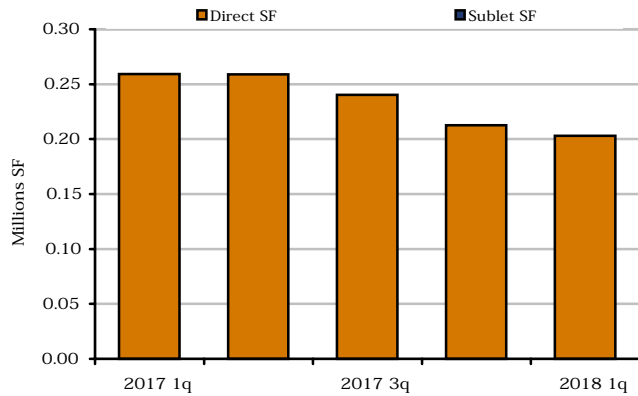
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

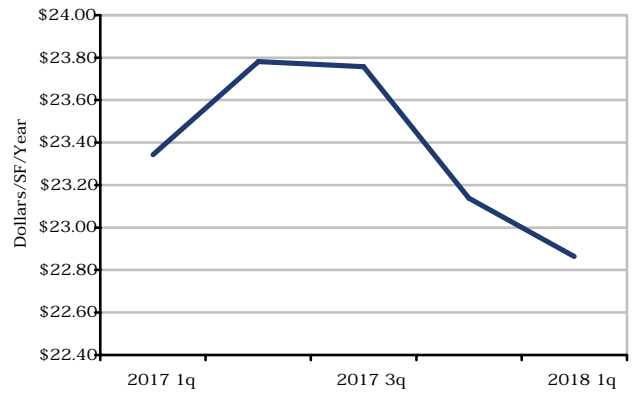
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	179	1,432,627	203,096	14.2%	9,400	0	0	2	26,952	\$22.86
2017 4q	179	1,432,627	212,496	14.8%	33,301	1	5,500	1	5,000	\$23.14
2017 3q	178	1,427,127	240,297	16.8%	34,848	2	16,200	1	5,500	\$23.76
2017 2q	176	1,410,927	258,945	18.4%	344	0	0	2	16,200	\$23.78
2017 1q	176	1,410,927	259,289	18.4%	(8,376)	1	13,080	2	16,200	\$23.34
2016 4q	175	1,397,847	237,833	17.0%	6,763	0	0	1	13,080	\$22.12
2016 3q	174	1,385,847	232,596	16.8%	(4,135)	1	4,200	2	25,080	\$22.00
2016 2q	172	1,376,647	219,261	15.9%	24,018	2	22,448	3	21,200	\$22.11
2016 1q	171	1,364,199	230,831	16.9%	(9,720)	0	0	5	43,648	\$22.41
2015 4q	171	1,364,199	221,111	16.2%	6,895	2	115,350	3	27,448	\$21.95
2015 3q	168	1,242,849	106,656	8.6%	(10,795)	0	0	5	143,798	\$21.89
2015 2q	168	1,242,849	95,861	7.7%	7,068	1	16,400	5	143,798	\$22.01
2015 1q	167	1,226,449	86,529	7.1%	(3,567)	1	4,124	5	145,100	\$23.34
2014 4q	166	1,222,325	78,838	6.4%	38,976	0	0	5	143,224	\$23.50
2014 3q	166	1,222,325	117,814	9.6%	(330)	0	0	5	143,224	\$24.84
2014 2q	166	1,222,325	117,484	9.6%	(3,473)	0	0	3	128,524	\$23.79

Source: CoStar Property®

Houston Office Market

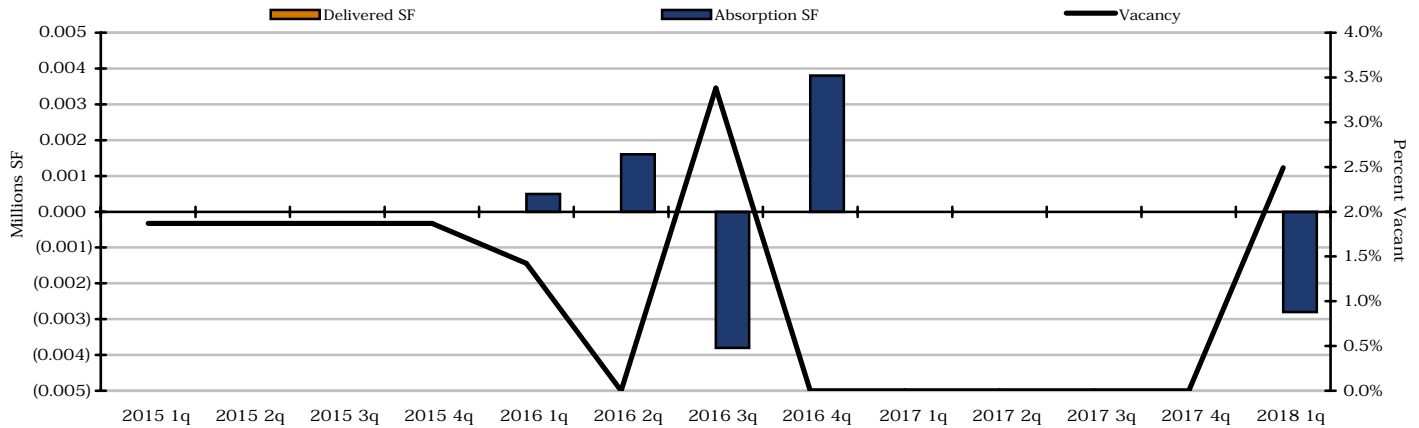


Outlying Waller County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

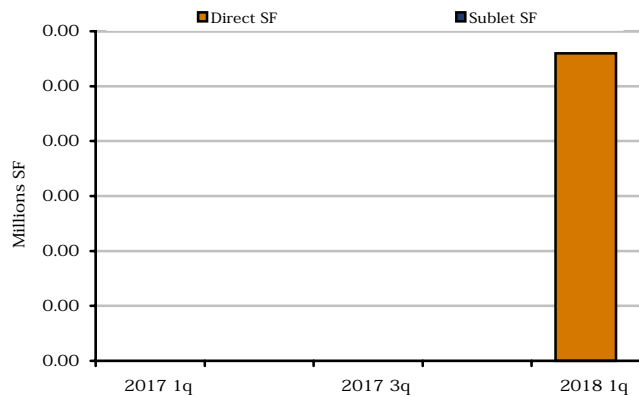
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

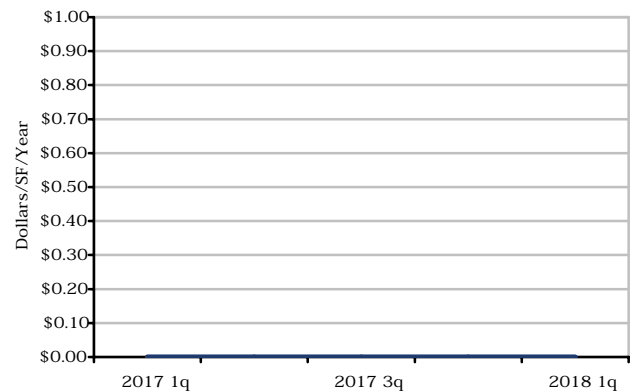
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	21	112,391	2,800	2.5%	(2,800)	0	0	0	0	\$0.00
2017 4q	21	112,391	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	21	112,391	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	21	112,391	0	0.0%	0	0	0	0	0	\$0.00
2017 1q	21	112,391	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	21	112,391	0	0.0%	3,800	0	0	0	0	\$0.00
2016 3q	21	112,391	3,800	3.4%	(3,800)	0	0	0	0	\$0.00
2016 2q	21	112,391	0	0.0%	1,600	0	0	0	0	\$0.00
2016 1q	21	112,391	1,600	1.4%	500	0	0	0	0	\$0.00
2015 4q	21	112,391	2,100	1.9%	0	0	0	0	0	\$0.00
2015 3q	21	112,391	2,100	1.9%	0	0	0	0	0	\$4.86
2015 2q	21	112,391	2,100	1.9%	0	0	0	0	0	\$4.86
2015 1q	21	112,391	2,100	1.9%	0	0	0	0	0	\$4.86
2014 4q	21	112,391	2,100	1.9%	0	0	0	0	0	\$0.00
2014 3q	21	112,391	2,100	1.9%	0	0	0	0	0	\$4.86
2014 2q	21	112,391	2,100	1.9%	0	0	0	0	0	\$4.86

Source: CoStar Property®



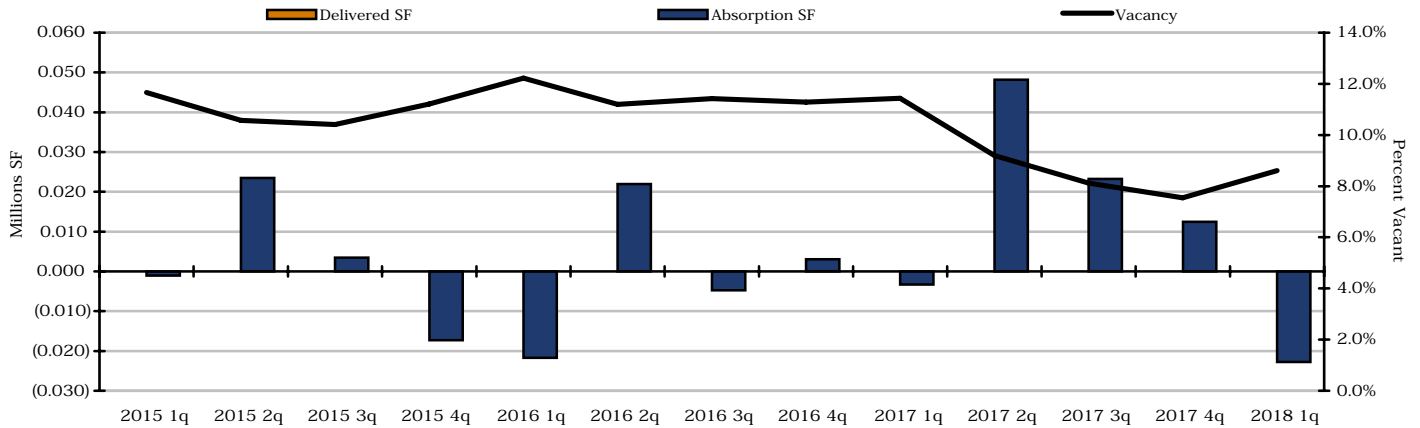
Houston Office Market

Richmond / Fountainview Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

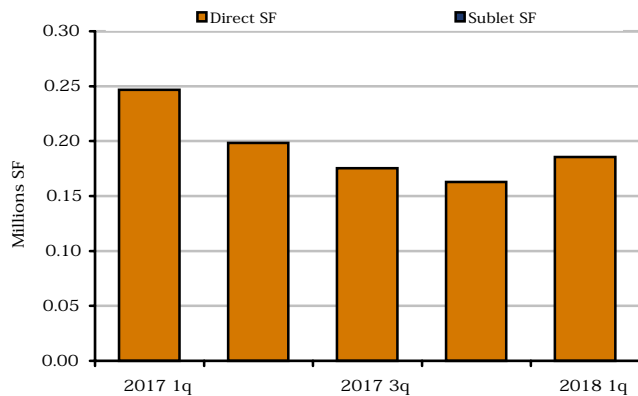
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

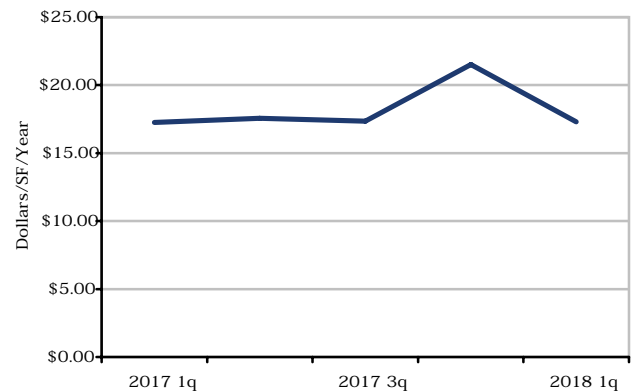
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	115	2,157,383	185,593	8.6%	(22,782)	0	0	0	0	\$17.31
2017 4q	115	2,157,383	162,811	7.5%	12,428	0	0	0	0	\$21.52
2017 3q	115	2,157,383	175,239	8.1%	23,223	0	0	0	0	\$17.35
2017 2q	115	2,157,383	198,462	9.2%	48,167	0	0	0	0	\$17.57
2017 1q	115	2,157,383	246,629	11.4%	(3,289)	0	0	0	0	\$17.25
2016 4q	115	2,157,383	243,340	11.3%	3,021	0	0	0	0	\$17.38
2016 3q	115	2,157,383	246,361	11.4%	(4,715)	0	0	0	0	\$17.18
2016 2q	115	2,157,383	241,646	11.2%	21,941	0	0	0	0	\$17.28
2016 1q	115	2,157,383	263,587	12.2%	(21,682)	0	0	0	0	\$17.25
2015 4q	115	2,157,383	241,905	11.2%	(17,329)	0	0	0	0	\$16.74
2015 3q	115	2,157,383	224,576	10.4%	3,488	0	0	0	0	\$16.75
2015 2q	115	2,157,383	228,064	10.6%	23,472	0	0	0	0	\$16.50
2015 1q	115	2,157,383	251,536	11.7%	(1,067)	0	0	0	0	\$16.23
2014 4q	115	2,157,383	250,469	11.6%	115,384	0	0	0	0	\$15.98
2014 3q	115	2,157,383	365,853	17.0%	17,931	0	0	0	0	\$15.81
2014 2q	115	2,157,383	383,784	17.8%	12,209	0	0	0	0	\$15.64

Source: CoStar Property®

Houston Office Market

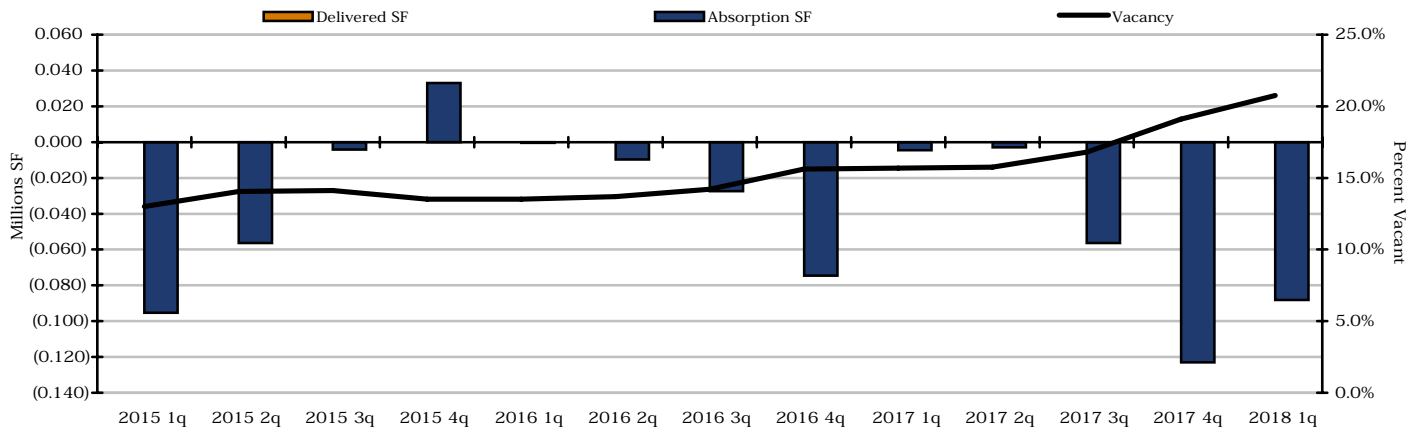


San Felipe / Voss Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

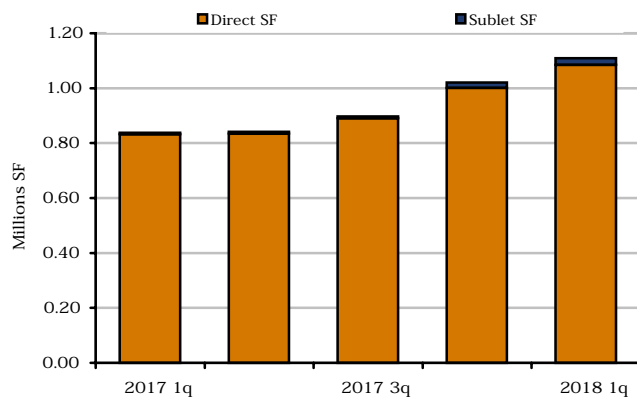
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

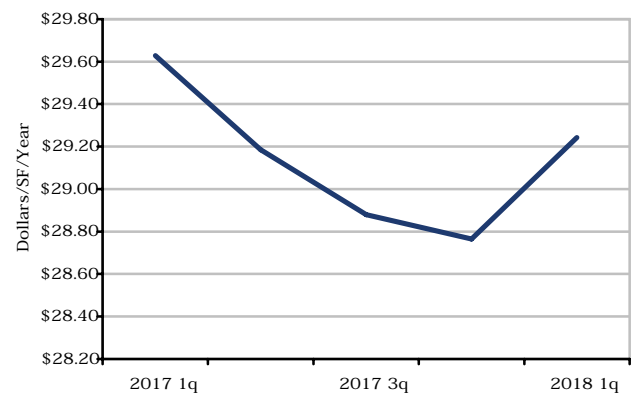
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	49	5,339,957	1,108,655	20.8%	(88,154)	0	0	0	0	\$29.24
2017 4q	49	5,339,957	1,020,501	19.1%	(123,093)	0	0	0	0	\$28.77
2017 3q	49	5,339,957	897,408	16.8%	(56,365)	0	0	0	0	\$28.88
2017 2q	49	5,339,957	841,043	15.7%	(2,962)	0	0	0	0	\$29.19
2017 1q	49	5,339,957	838,081	15.7%	(4,477)	0	0	0	0	\$29.63
2016 4q	49	5,339,957	833,604	15.6%	(74,499)	0	0	0	0	\$29.65
2016 3q	49	5,339,957	759,105	14.2%	(27,471)	0	0	0	0	\$29.88
2016 2q	49	5,339,957	731,634	13.7%	(9,758)	0	0	0	0	\$30.03
2016 1q	49	5,339,957	721,876	13.5%	(353)	0	0	0	0	\$29.32
2015 4q	49	5,339,957	721,523	13.5%	32,963	0	0	0	0	\$30.35
2015 3q	49	5,339,957	754,486	14.1%	(4,119)	0	0	0	0	\$31.01
2015 2q	49	5,339,957	750,367	14.1%	(56,384)	0	0	0	0	\$30.52
2015 1q	49	5,339,957	693,983	13.0%	(95,257)	0	0	0	0	\$30.26
2014 4q	49	5,339,957	598,726	11.2%	(32,011)	0	0	0	0	\$29.85
2014 3q	49	5,339,957	566,715	10.6%	(4,794)	0	0	0	0	\$29.65
2014 2q	49	5,339,957	561,921	10.5%	127,251	0	0	0	0	\$27.12

Source: CoStar Property®



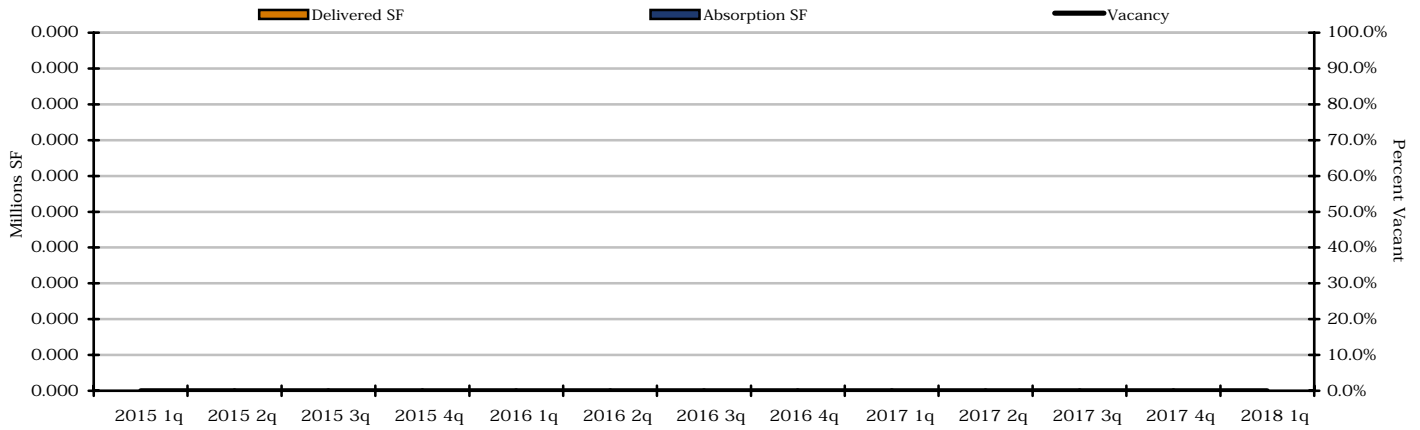
Houston Office Market

San Jacinto County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

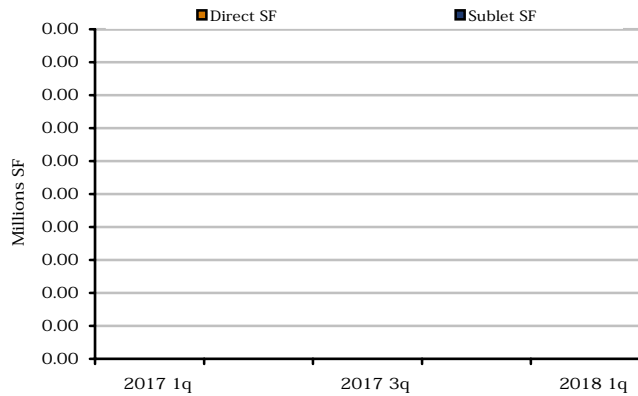
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

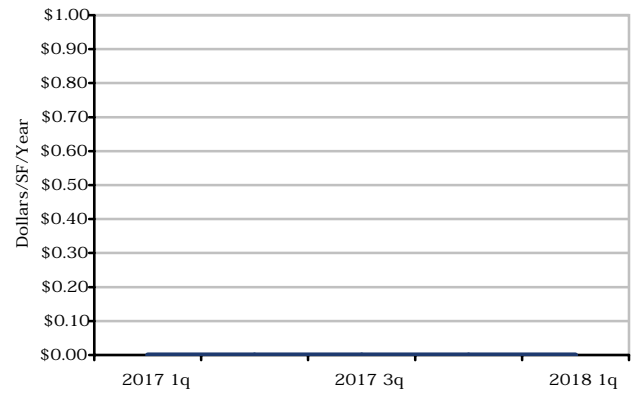
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2017 4q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2017 1q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2016 3q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2016 2q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2016 1q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2015 4q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2015 3q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2015 2q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2015 1q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
2014 4q	3	39,139	0	0.0%	7,500	0	0	0	0	\$0.00
2014 3q	3	39,139	7,500	19.2%	0	0	0	0	0	\$0.00
2014 2q	3	39,139	7,500	19.2%	0	0	0	0	0	\$0.00

Source: CoStar Property®

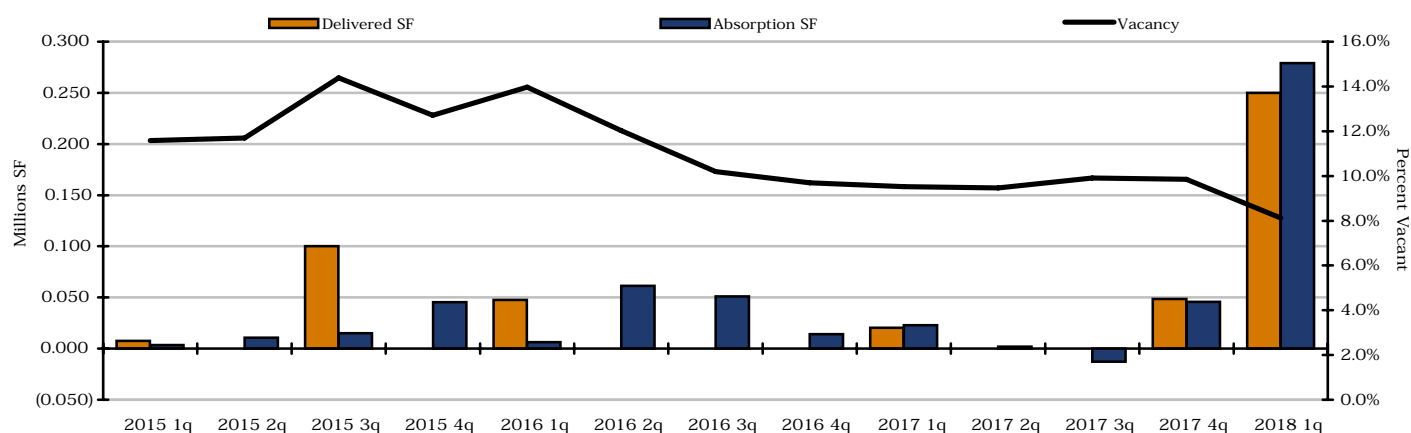
Houston Office Market



South Market
Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

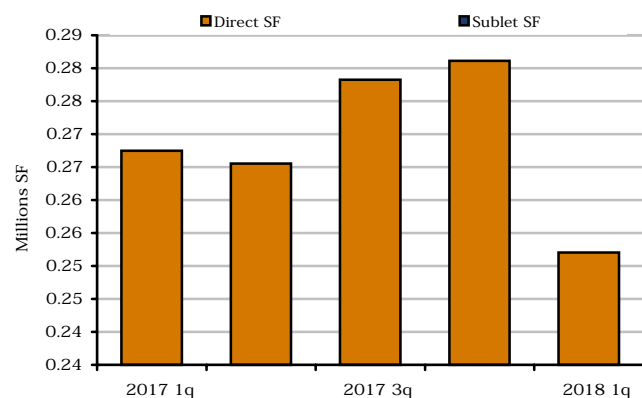
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

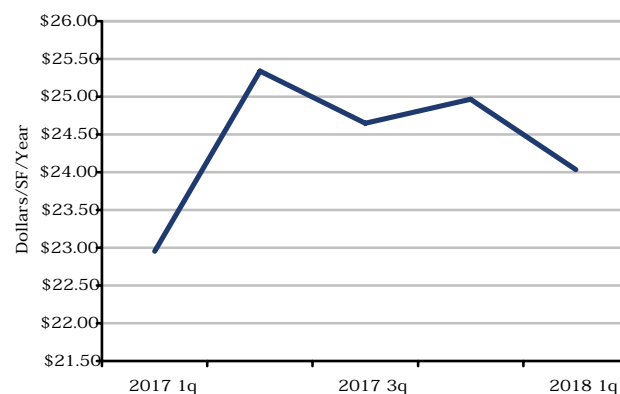
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	248	3,105,449	252,047	8.1%	279,078	1	250,000	1	50,000	\$24.04
2017 4q	247	2,855,449	281,125	9.8%	45,605	1	48,455	2	300,000	\$24.96
2017 3q	246	2,806,994	278,275	9.9%	(12,727)	0	0	3	348,455	\$24.65
2017 2q	246	2,806,994	265,548	9.5%	1,925	0	0	3	348,455	\$25.34
2017 1q	246	2,806,994	267,473	9.5%	22,882	2	20,394	3	348,455	\$22.95
2016 4q	244	2,786,600	269,961	9.7%	14,253	0	0	3	270,394	\$22.26
2016 3q	244	2,786,600	284,214	10.2%	50,906	0	0	3	270,394	\$22.45
2016 2q	244	2,786,600	335,120	12.0%	61,482	0	0	3	270,394	\$25.71
2016 1q	243	2,778,200	388,202	14.0%	6,431	1	47,500	1	8,400	\$23.19
2015 4q	242	2,730,700	347,133	12.7%	45,515	0	0	2	55,900	\$23.57
2015 3q	242	2,730,700	392,648	14.4%	14,962	1	100,000	2	55,900	\$23.55
2015 2q	241	2,630,700	307,610	11.7%	10,739	0	0	2	147,500	\$25.24
2015 1q	239	2,615,382	303,031	11.6%	3,471	1	7,700	3	115,318	\$24.49
2014 4q	238	2,607,682	298,802	11.5%	21,949	0	0	4	123,018	\$24.34
2014 3q	238	2,607,682	320,751	12.3%	(4,221)	0	0	4	123,018	\$22.83
2014 2q	238	2,607,682	316,530	12.1%	(6,078)	1	8,086	1	7,700	\$24.31

Source: CoStar Property®



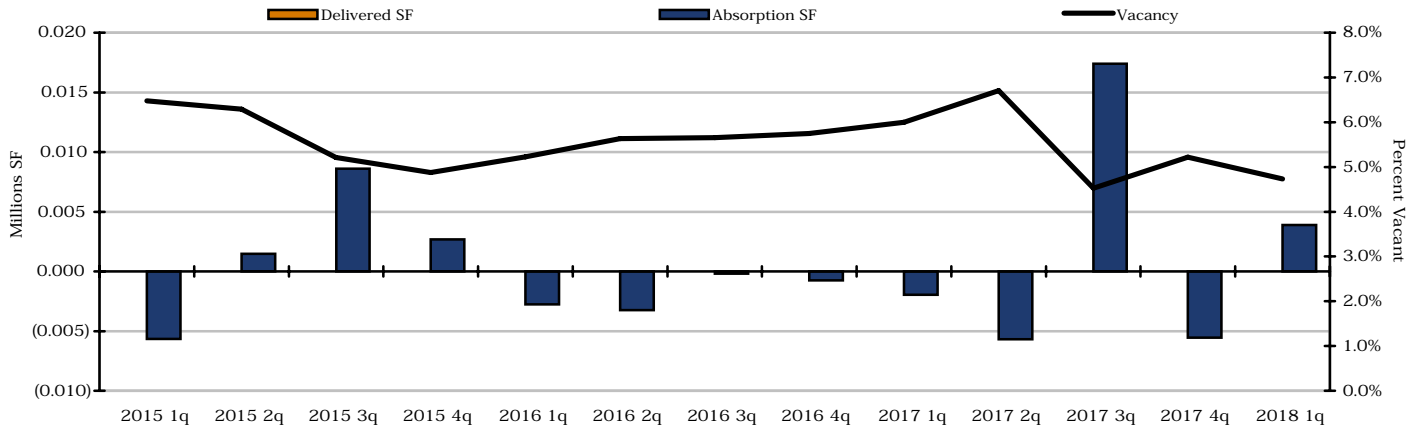
Houston Office Market

South Hwy 35 Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

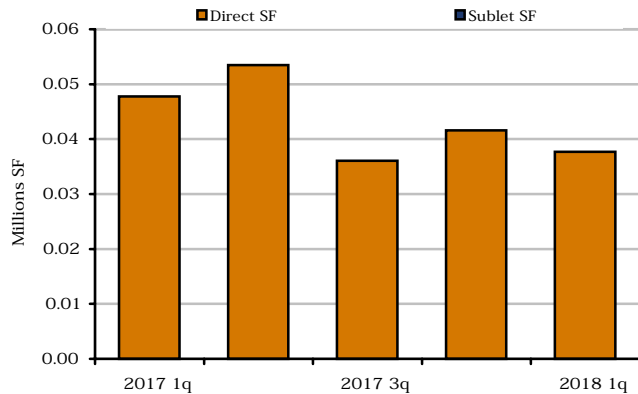
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

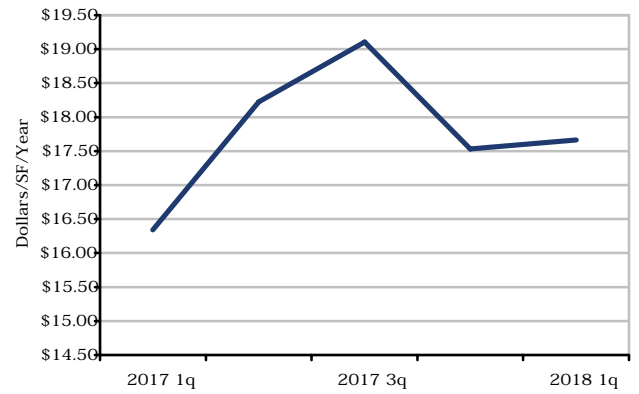
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	148	796,929	37,695	4.7%	3,898	0	0	0	0	\$17.66
2017 4q	148	796,929	41,593	5.2%	(5,542)	0	0	0	0	\$17.53
2017 3q	148	796,929	36,051	4.5%	17,412	0	0	0	0	\$19.11
2017 2q	148	796,929	53,463	6.7%	(5,674)	0	0	0	0	\$18.23
2017 1q	148	796,929	47,789	6.0%	(1,959)	0	0	0	0	\$16.34
2016 4q	148	796,929	45,830	5.8%	(743)	0	0	0	0	\$16.26
2016 3q	148	796,929	45,087	5.7%	(194)	0	0	0	0	\$15.10
2016 2q	148	796,929	44,893	5.6%	(3,251)	0	0	0	0	\$13.45
2016 1q	148	796,929	41,642	5.2%	(2,757)	0	0	0	0	\$15.16
2015 4q	148	796,929	38,885	4.9%	2,670	0	0	0	0	\$16.38
2015 3q	148	796,929	41,555	5.2%	8,600	0	0	0	0	\$15.38
2015 2q	148	796,929	50,155	6.3%	1,486	0	0	0	0	\$15.16
2015 1q	148	796,929	51,641	6.5%	(5,670)	0	0	0	0	\$15.86
2014 4q	148	796,929	45,971	5.8%	(4,039)	0	0	0	0	\$16.86
2014 3q	148	796,929	41,932	5.3%	(17,468)	0	0	0	0	\$16.89
2014 2q	148	796,929	24,464	3.1%	(1,282)	0	0	0	0	\$15.56

Source: CoStar Property®

Houston Office Market

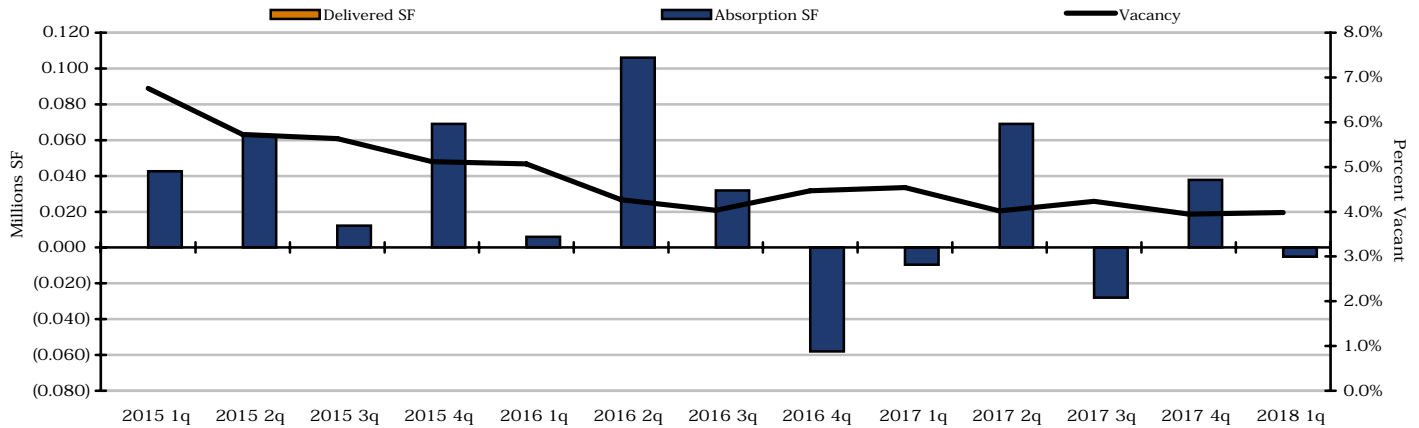


South Main / Medical Center Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

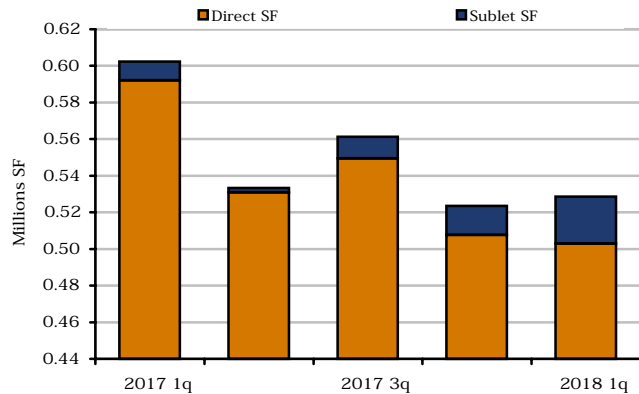
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

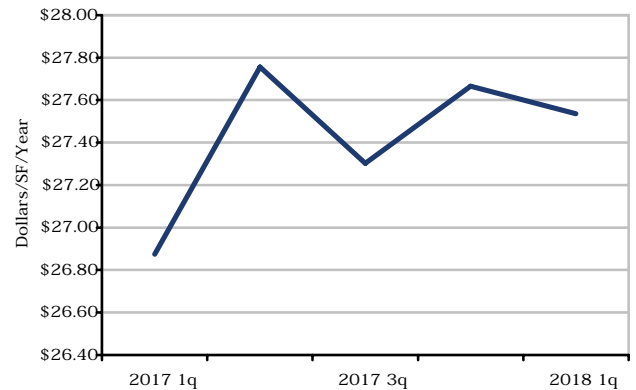
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	234	13,265,676	528,595	4.0%	(5,030)	0	0	0	0	\$27.54
2017 4q	234	13,265,676	523,565	3.9%	37,732	0	0	0	0	\$27.67
2017 3q	234	13,265,676	561,297	4.2%	(28,008)	0	0	0	0	\$27.30
2017 2q	234	13,265,676	533,289	4.0%	69,039	0	0	0	0	\$27.76
2017 1q	234	13,265,676	602,328	4.5%	(9,658)	0	0	0	0	\$26.87
2016 4q	234	13,265,676	592,670	4.5%	(58,022)	0	0	0	0	\$26.50
2016 3q	234	13,265,676	534,648	4.0%	31,927	0	0	0	0	\$26.45
2016 2q	234	13,265,676	566,575	4.3%	106,146	0	0	0	0	\$26.34
2016 1q	234	13,265,676	672,721	5.1%	5,905	0	0	0	0	\$26.60
2015 4q	234	13,265,676	678,626	5.1%	69,061	0	0	0	0	\$26.71
2015 3q	234	13,265,676	747,687	5.6%	12,237	0	0	0	0	\$26.41
2015 2q	234	13,265,676	759,924	5.7%	62,651	0	0	0	0	\$26.64
2015 1q	235	13,345,009	901,908	6.8%	42,528	0	0	0	0	\$26.22
2014 4q	235	13,345,009	944,436	7.1%	21,161	0	0	0	0	\$26.62
2014 3q	235	13,345,009	965,597	7.2%	33,858	1	50,000	0	0	\$24.96
2014 2q	234	13,295,009	949,455	7.1%	48,172	0	0	1	50,000	\$25.16

Source: CoStar Property®



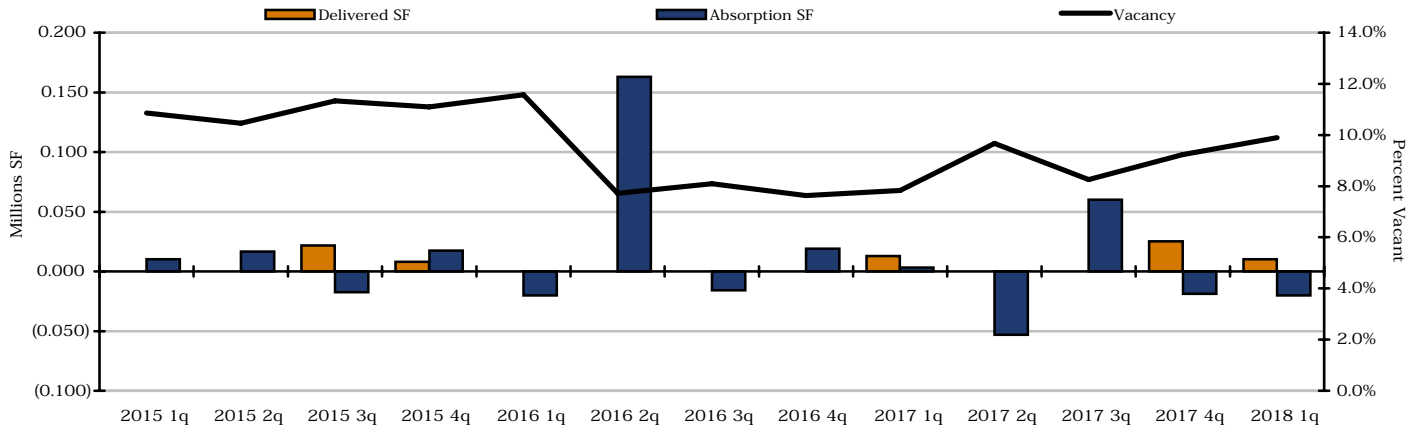
Houston Office Market

Southeast Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

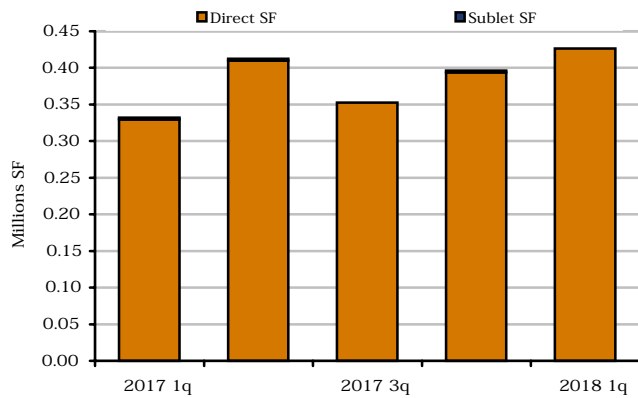
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

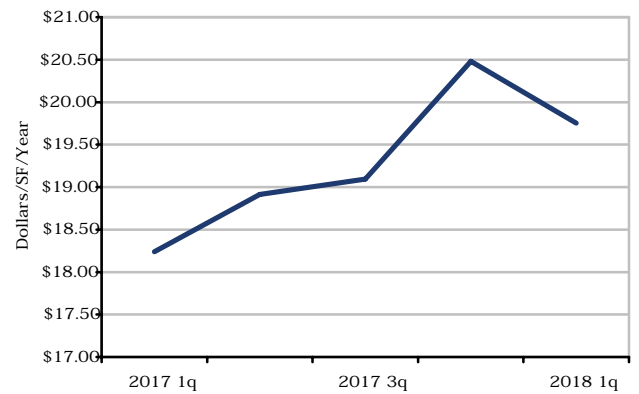
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	337	4,312,008	426,499	9.9%	(19,981)	1	10,070	1	10,000	\$19.75
2017 4q	335	4,292,191	396,448	9.2%	(18,818)	1	25,120	2	20,070	\$20.48
2017 3q	334	4,267,071	352,510	8.3%	60,031	0	0	3	45,190	\$19.10
2017 2q	334	4,267,071	412,541	9.7%	(53,214)	0	0	3	45,190	\$18.91
2017 1q	333	4,239,993	332,249	7.8%	3,326	3	12,743	3	62,268	\$18.24
2016 4q	330	4,227,250	322,832	7.6%	19,104	0	0	5	64,941	\$19.09
2016 3q	330	4,227,250	341,936	8.1%	(15,760)	0	0	3	35,021	\$19.99
2016 2q	330	4,227,250	326,176	7.7%	162,886	0	0	3	35,021	\$20.20
2016 1q	330	4,227,250	489,062	11.6%	(20,039)	0	0	1	27,078	\$19.63
2015 4q	330	4,227,250	469,023	11.1%	17,423	1	8,000	1	27,078	\$18.31
2015 3q	329	4,219,250	478,446	11.3%	(17,449)	2	21,780	2	35,078	\$18.55
2015 2q	327	4,197,470	439,217	10.5%	16,553	0	0	3	48,858	\$19.30
2015 1q	327	4,197,470	455,770	10.9%	10,156	0	0	2	21,780	\$19.49
2014 4q	327	4,197,470	465,926	11.1%	16,048	0	0	2	21,780	\$19.62
2014 3q	327	4,197,470	481,974	11.5%	(9,303)	0	0	1	1,748	\$18.93
2014 2q	325	4,186,555	461,756	11.0%	7,596	0	0	2	10,915	\$18.44

Source: CoStar Property®

Houston Office Market

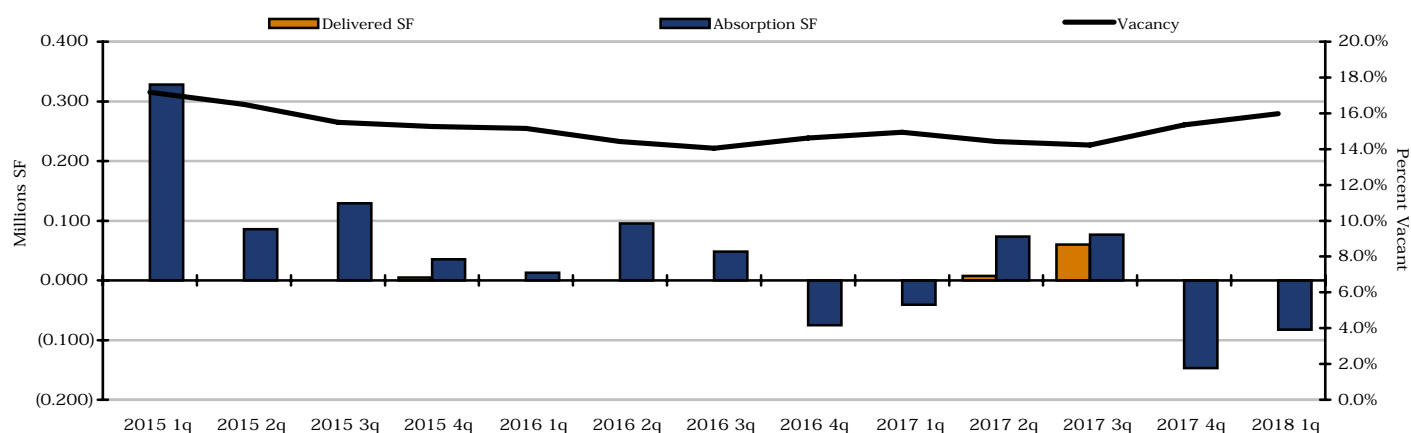


Southwest Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

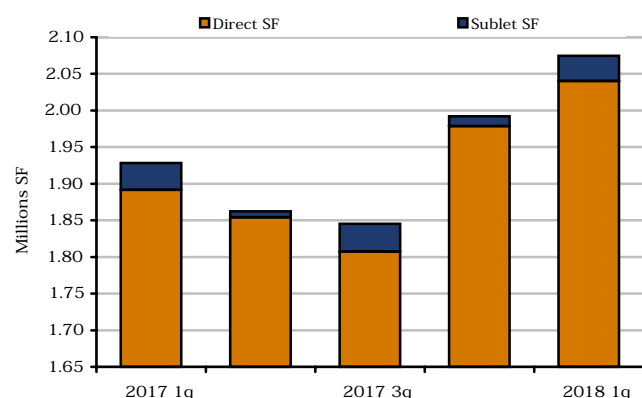
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

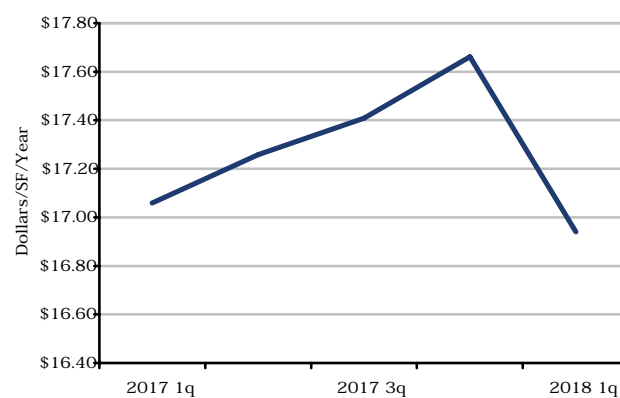
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	301	12,978,621	2,074,550	16.0%	(82,547)	0	0	0	0	\$16.94
2017 4q	300	12,968,829	1,992,003	15.4%	(146,714)	0	0	0	0	\$17.66
2017 3q	300	12,968,829	1,845,289	14.2%	76,848	1	60,000	0	0	\$17.41
2017 2q	299	12,908,829	1,862,137	14.4%	73,721	1	7,600	1	60,000	\$17.26
2017 1q	298	12,901,229	1,928,258	14.9%	(40,999)	0	0	2	67,600	\$17.06
2016 4q	298	12,901,229	1,887,259	14.6%	(75,248)	0	0	2	67,600	\$17.14
2016 3q	298	12,901,229	1,812,011	14.0%	48,100	0	0	2	67,600	\$16.77
2016 2q	298	12,901,229	1,860,111	14.4%	95,487	0	0	2	67,600	\$16.69
2016 1q	298	12,901,229	1,955,598	15.2%	12,847	0	0	1	60,000	\$16.54
2015 4q	298	12,901,229	1,968,445	15.3%	35,602	1	5,000	0	0	\$16.27
2015 3q	297	12,896,229	1,999,047	15.5%	129,344	0	0	1	5,000	\$16.25
2015 2q	297	12,896,229	2,128,391	16.5%	85,753	0	0	1	5,000	\$16.04
2015 1q	297	12,896,229	2,214,144	17.2%	328,361	0	0	1	5,000	\$15.92
2014 4q	298	12,975,117	2,621,393	20.2%	123,655	0	0	0	0	\$15.60
2014 3q	298	12,975,117	2,745,048	21.2%	(92,631)	0	0	0	0	\$16.07
2014 2q	298	12,975,117	2,652,417	20.4%	220,297	0	0	0	0	\$16.31

Source: CoStar Property®



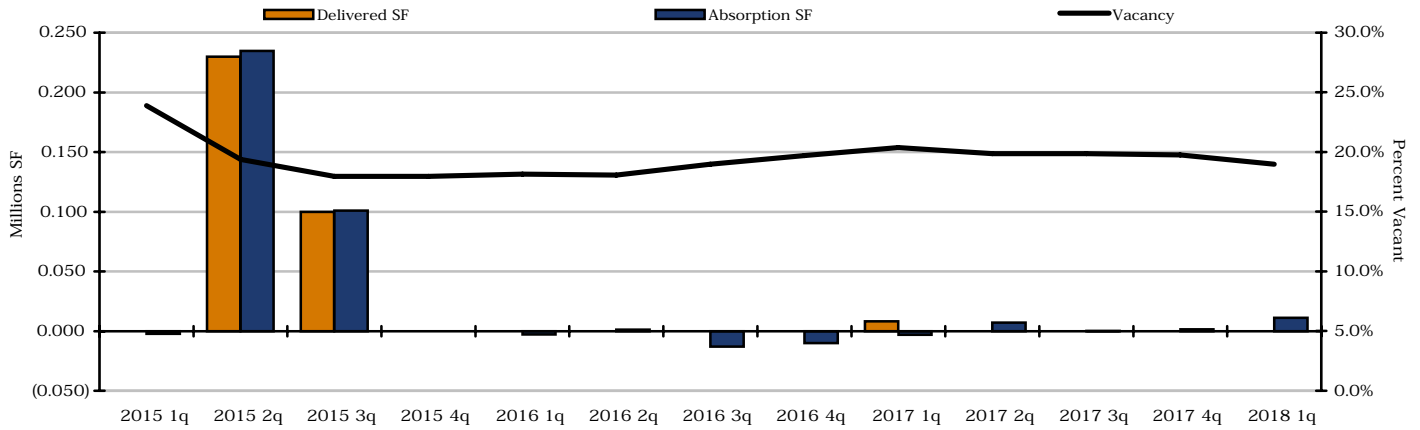
Houston Office Market

Southwest Far Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

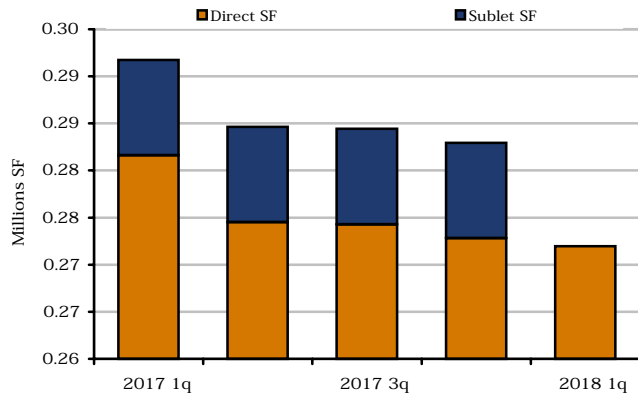
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

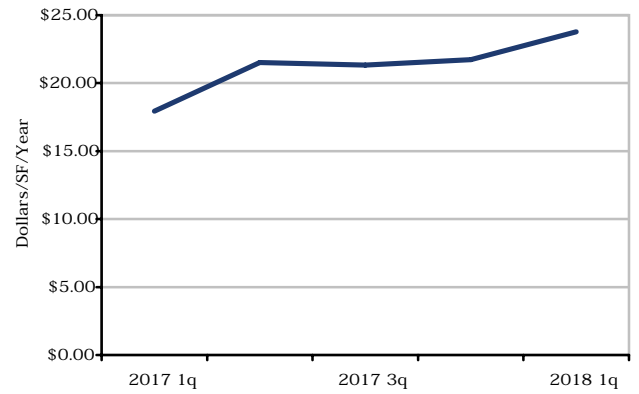
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	90	1,431,945	271,947	19.0%	11,006	0	0	0	0	\$23.77
2017 4q	90	1,431,945	282,953	19.8%	1,470	0	0	0	0	\$21.73
2017 3q	90	1,431,945	284,423	19.9%	210	0	0	0	0	\$21.33
2017 2q	90	1,431,945	284,633	19.9%	7,102	0	0	0	0	\$21.51
2017 1q	90	1,431,945	291,735	20.4%	(3,184)	1	8,066	0	0	\$17.94
2016 4q	89	1,423,879	280,485	19.7%	(10,180)	0	0	1	8,066	\$17.53
2016 3q	89	1,423,879	270,305	19.0%	(13,089)	0	0	1	8,066	\$17.19
2016 2q	89	1,423,879	257,216	18.1%	1,307	0	0	1	8,066	\$20.97
2016 1q	89	1,423,879	258,523	18.2%	(2,770)	0	0	0	0	\$19.80
2015 4q	89	1,423,879	255,753	18.0%	(150)	0	0	0	0	\$19.58
2015 3q	89	1,423,879	255,603	18.0%	101,000	1	100,000	0	0	\$20.15
2015 2q	88	1,323,879	256,603	19.4%	234,828	1	230,000	1	100,000	\$19.90
2015 1q	87	1,093,879	261,431	23.9%	(2,400)	0	0	2	330,000	\$20.93
2014 4q	87	1,093,879	259,031	23.7%	70,470	0	0	2	330,000	\$20.48
2014 3q	87	1,093,879	329,501	30.1%	10,400	1	14,000	2	330,000	\$20.56
2014 2q	86	1,079,879	325,901	30.2%	48,890	0	0	3	344,000	\$20.57

Source: CoStar Property®

Houston Office Market

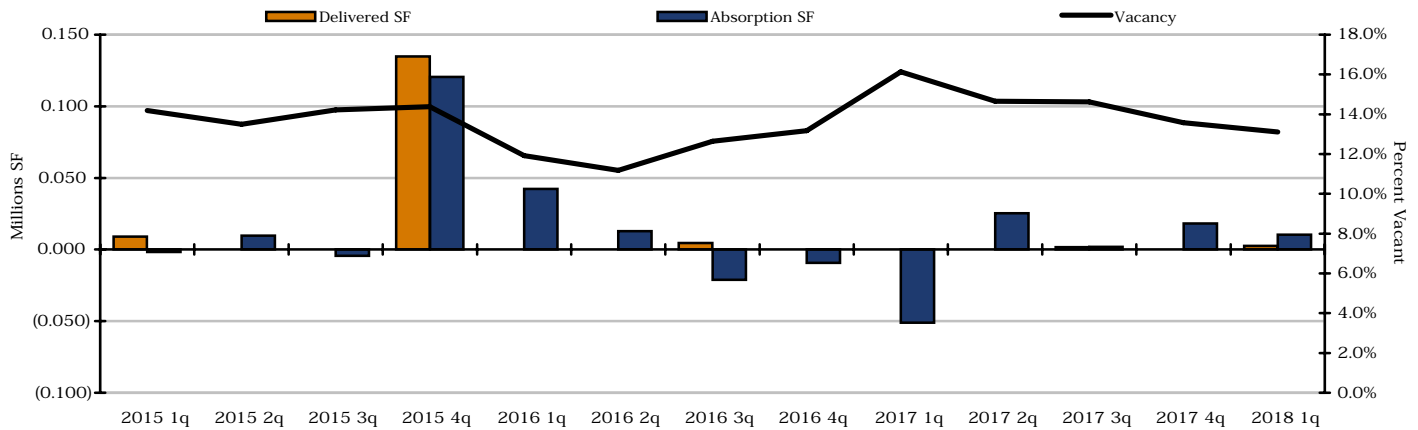


Southwest Outlier Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

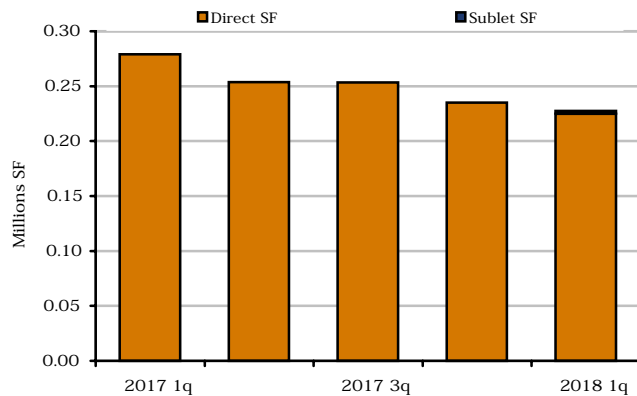
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

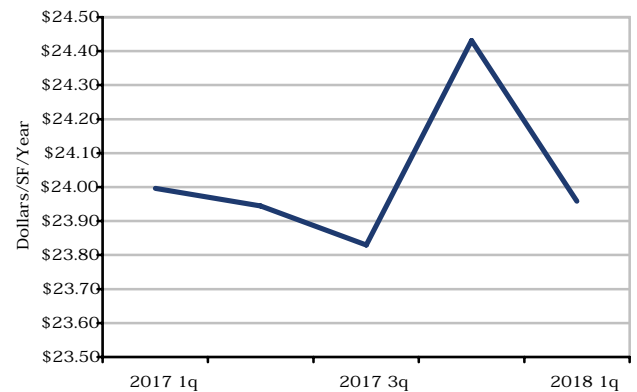
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	202	1,734,287	227,426	13.1%	10,266	1	2,645	1	1,200	\$23.96
2017 4q	201	1,731,642	235,047	13.6%	18,225	0	0	2	3,845	\$24.43
2017 3q	201	1,731,642	253,272	14.6%	1,963	1	1,572	1	1,200	\$23.83
2017 2q	200	1,730,070	253,663	14.7%	25,433	0	0	2	2,772	\$23.94
2017 1q	200	1,730,070	279,096	16.1%	(51,047)	0	0	1	1,572	\$24.00
2016 4q	200	1,730,070	228,049	13.2%	(9,271)	0	0	0	0	\$23.83
2016 3q	200	1,730,070	218,778	12.6%	(21,186)	2	4,577	0	0	\$23.45
2016 2q	198	1,725,493	193,015	11.2%	12,780	0	0	2	4,577	\$22.39
2016 1q	198	1,725,493	205,795	11.9%	42,327	0	0	2	4,577	\$22.62
2015 4q	198	1,725,493	248,122	14.4%	120,524	2	134,862	0	0	\$25.29
2015 3q	195	1,581,631	224,784	14.2%	(4,458)	0	0	3	143,862	\$24.74
2015 2q	194	1,573,631	212,326	13.5%	9,625	0	0	4	151,862	\$24.71
2015 1q	195	1,575,131	223,451	14.2%	(1,702)	2	9,083	3	115,862	\$24.68
2014 4q	193	1,566,048	212,666	13.6%	(1,287)	1	12,000	4	115,945	\$24.87
2014 3q	192	1,554,048	199,379	12.8%	6,819	0	0	2	19,859	\$23.98
2014 2q	191	1,548,432	200,582	13.0%	(20,667)	1	12,000	3	25,475	\$23.89

Source: CoStar Property®



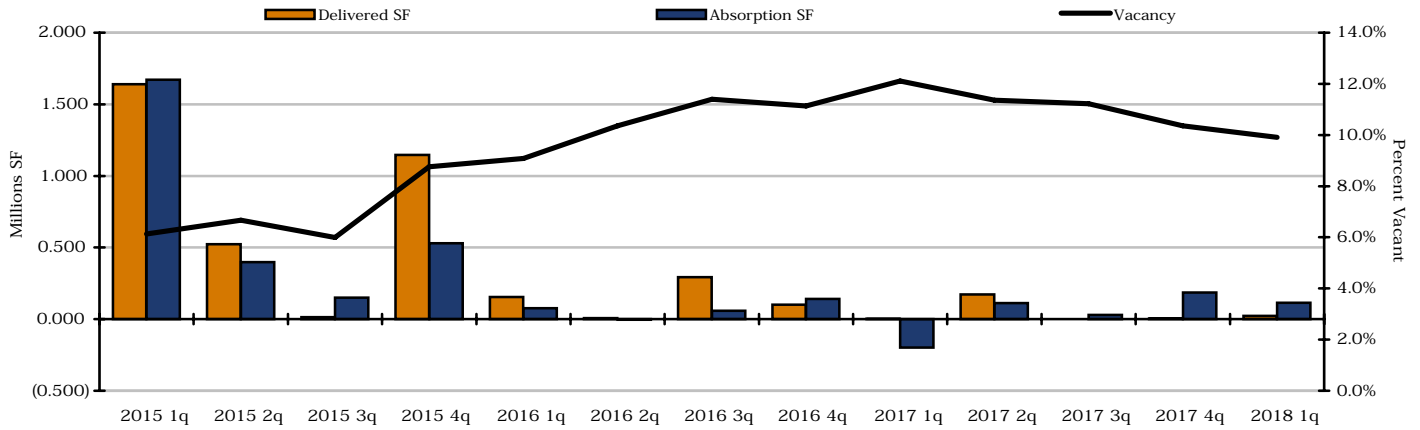
Houston Office Market

The Woodlands Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

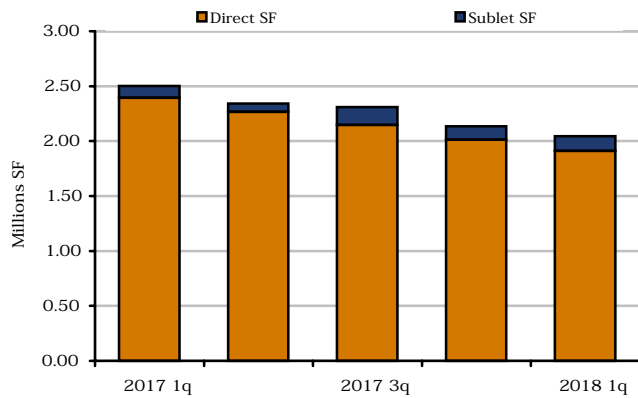
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

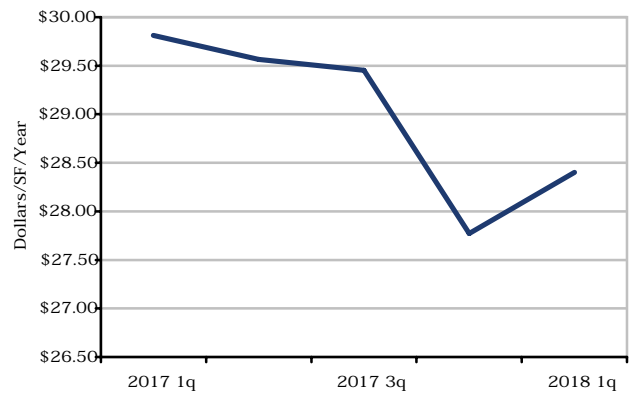
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	605	20,631,897	2,044,791	9.9%	113,611	3	22,764	4	716,300	\$28.40
2017 4q	602	20,609,133	2,135,638	10.4%	185,401	1	5,835	7	739,064	\$27.77
2017 3q	600	20,598,598	2,310,504	11.2%	30,322	0	0	7	730,235	\$29.45
2017 2q	600	20,598,598	2,340,826	11.4%	111,717	1	171,996	4	347,335	\$29.57
2017 1q	598	20,646,783	2,500,728	12.1%	(198,748)	1	2,001	5	526,799	\$29.81
2016 4q	597	20,644,782	2,299,979	11.1%	142,303	12	102,089	4	197,300	\$29.34
2016 3q	585	20,542,693	2,340,193	11.4%	58,476	6	292,975	16	299,389	\$29.74
2016 2q	577	20,241,143	2,097,119	10.4%	(3,204)	1	7,000	20	567,784	\$29.81
2016 1q	572	19,959,173	1,811,945	9.1%	76,431	2	154,900	21	634,558	\$30.15
2015 4q	570	19,804,273	1,733,476	8.8%	530,190	5	1,145,993	18	756,166	\$29.82
2015 3q	565	18,658,280	1,117,673	6.0%	149,251	1	13,384	14	1,792,958	\$30.75
2015 2q	563	18,634,896	1,243,540	6.7%	397,480	4	524,261	15	1,801,582	\$30.08
2015 1q	558	18,104,085	1,110,209	6.1%	1,671,215	11	1,639,199	17	2,120,658	\$28.56
2014 4q	547	16,464,886	1,142,225	6.9%	1,768,077	14	1,909,679	23	3,342,487	\$28.89
2014 3q	532	14,549,207	994,623	6.8%	617,264	10	427,179	33	5,200,167	\$29.94
2014 2q	521	14,117,128	1,179,808	8.4%	53,938	9	430,816	41	5,299,081	\$29.75

Source: CoStar Property®

Houston Office Market

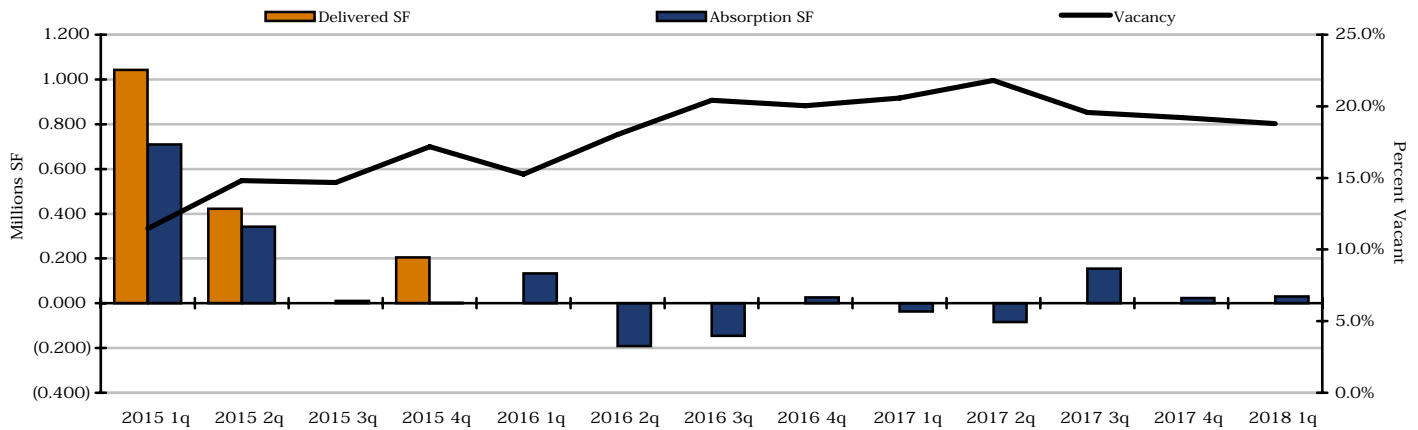


West Belt Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

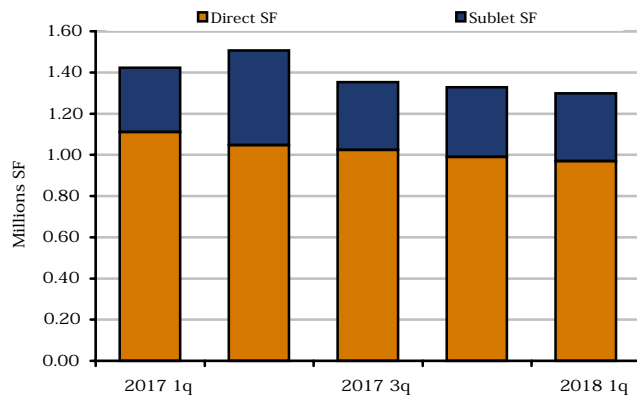
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

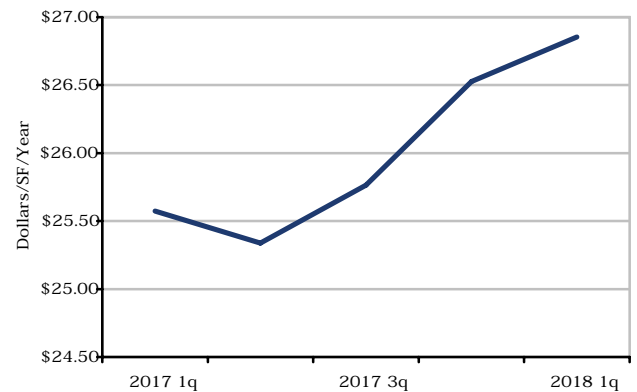
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	106	6,913,394	1,298,723	18.8%	30,038	0	0	3	17,500	\$26.85
2017 4q	106	6,913,394	1,328,761	19.2%	23,808	0	0	3	17,500	\$26.53
2017 3q	106	6,913,394	1,352,569	19.6%	154,337	0	0	1	5,500	\$25.76
2017 2q	106	6,913,394	1,506,906	21.8%	(84,300)	0	0	1	5,500	\$25.34
2017 1q	106	6,913,394	1,422,606	20.6%	(37,046)	0	0	0	0	\$25.57
2016 4q	106	6,913,394	1,385,560	20.0%	25,613	0	0	0	0	\$25.21
2016 3q	106	6,913,394	1,411,173	20.4%	(145,723)	0	0	0	0	\$24.35
2016 2q	105	6,889,394	1,241,450	18.0%	(190,643)	0	0	1	24,000	\$25.60
2016 1q	105	6,889,394	1,050,807	15.3%	132,857	0	0	1	24,000	\$27.11
2015 4q	105	6,889,394	1,183,664	17.2%	1,933	1	205,167	1	24,000	\$27.52
2015 3q	104	6,684,227	980,430	14.7%	10,152	0	0	1	205,167	\$27.43
2015 2q	104	6,684,227	990,582	14.8%	341,525	2	422,053	1	205,167	\$27.39
2015 1q	101	6,045,674	693,554	11.5%	710,255	3	1,043,344	4	843,720	\$27.90
2014 4q	98	5,002,330	360,465	7.2%	(17,216)	0	0	7	1,887,064	\$26.81
2014 3q	98	5,002,330	343,249	6.9%	(13,590)	1	2,100	6	1,681,897	\$27.12
2014 2q	97	5,000,230	327,559	6.6%	(97,965)	1	55,500	6	1,575,364	\$27.27

Source: CoStar Property®



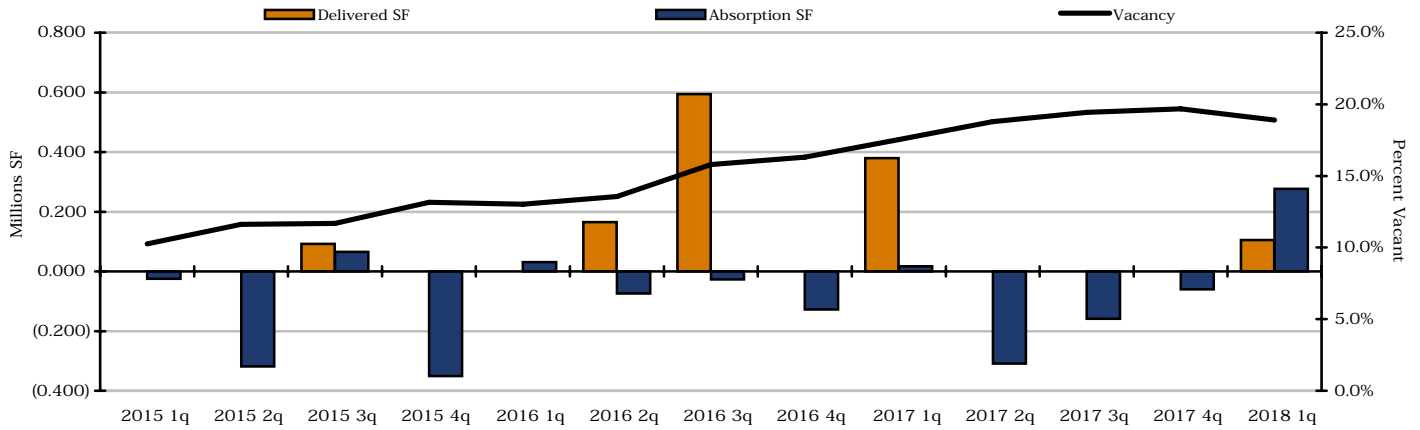
Houston Office Market

West Loop Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

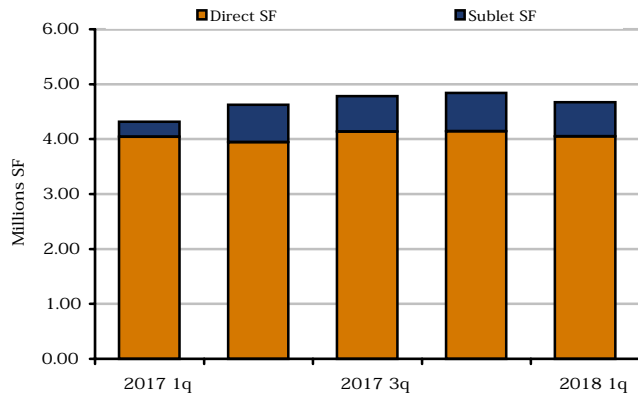
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

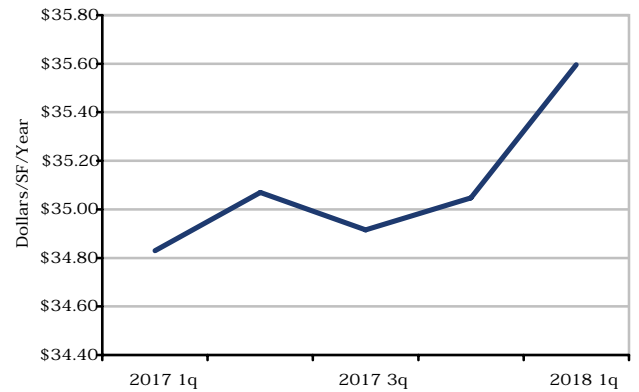
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	133	24,705,589	4,670,501	18.9%	276,503	1	104,579	0	0	\$35.60
2017 4q	132	24,601,010	4,842,425	19.7%	(59,534)	0	0	1	104,579	\$35.05
2017 3q	132	24,601,010	4,782,891	19.4%	(158,402)	0	0	1	104,579	\$34.92
2017 2q	132	24,601,010	4,624,489	18.8%	(308,758)	0	0	1	104,579	\$35.07
2017 1q	132	24,601,010	4,315,731	17.5%	16,932	1	380,000	1	104,579	\$34.83
2016 4q	131	24,221,010	3,952,663	16.3%	(127,755)	0	0	2	484,579	\$34.72
2016 3q	131	24,221,010	3,824,908	15.8%	(27,261)	1	593,850	2	484,579	\$35.11
2016 2q	130	23,627,160	3,203,797	13.6%	(73,699)	1	165,000	3	1,078,429	\$35.19
2016 1q	131	23,569,257	3,072,195	13.0%	30,810	0	0	4	1,243,429	\$35.01
2015 4q	131	23,569,257	3,103,005	13.2%	(350,422)	0	0	4	1,243,429	\$33.77
2015 3q	131	23,569,257	2,752,583	11.7%	65,942	1	92,021	3	1,138,850	\$33.92
2015 2q	130	23,477,236	2,726,504	11.6%	(318,395)	0	0	4	1,230,871	\$33.86
2015 1q	130	23,477,236	2,408,109	10.3%	(24,611)	0	0	4	1,230,871	\$33.36
2014 4q	130	23,477,236	2,383,498	10.2%	107,737	1	4,400	3	850,871	\$33.07
2014 3q	130	23,528,954	2,542,953	10.8%	163,640	1	83,832	3	690,271	\$33.03
2014 2q	129	23,445,122	2,622,761	11.2%	(86,557)	1	84,612	4	774,103	\$32.59

Source: CoStar Property®

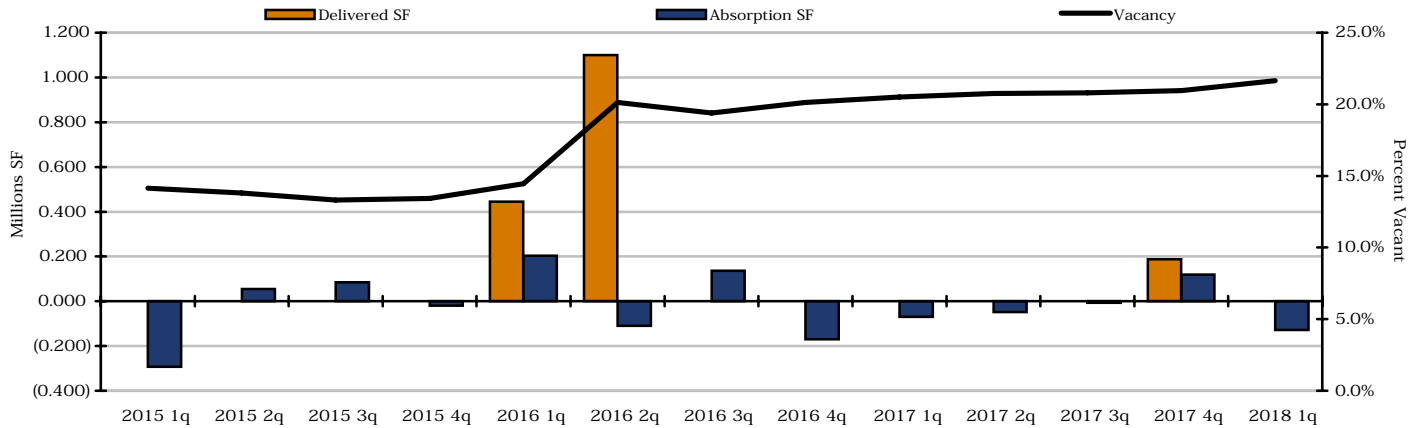
Houston Office Market



Westchase Market Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

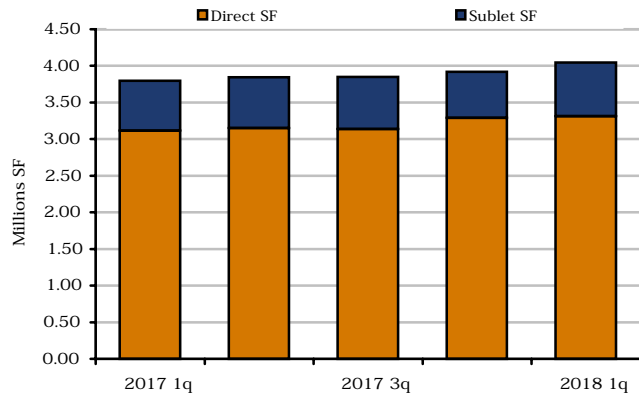
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

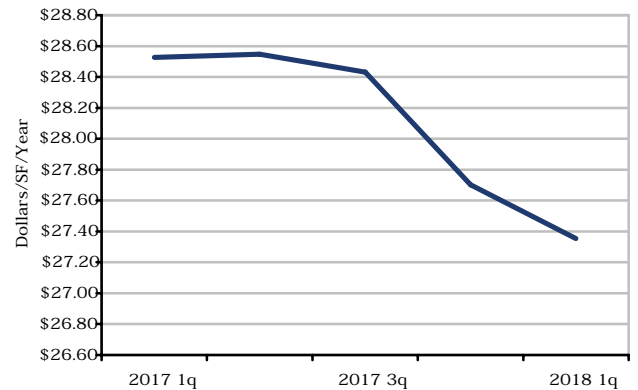
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 1q	137	18,694,853	4,046,334	21.6%	(127,818)	0	0	0	0	\$27.35
2017 4q	137	18,694,853	3,918,516	21.0%	118,635	1	187,011	0	0	\$27.70
2017 3q	136	18,507,842	3,850,140	20.8%	(7,087)	0	0	1	187,011	\$28.43
2017 2q	136	18,507,842	3,843,053	20.8%	(48,203)	0	0	1	187,011	\$28.55
2017 1q	136	18,507,842	3,794,850	20.5%	(70,154)	0	0	1	187,011	\$28.53
2016 4q	136	18,507,842	3,724,696	20.1%	(170,255)	0	0	1	187,011	\$28.46
2016 3q	137	18,550,842	3,597,441	19.4%	136,623	0	0	1	187,011	\$29.05
2016 2q	137	18,550,842	3,734,064	20.1%	(109,827)	1	1,100,000	1	187,011	\$30.73
2016 1q	136	17,450,842	2,524,237	14.5%	204,107	1	445,000	2	1,287,011	\$31.47
2015 4q	135	17,005,842	2,283,344	13.4%	(19,286)	0	0	2	1,545,000	\$30.73
2015 3q	135	17,005,842	2,264,058	13.3%	85,195	0	0	2	1,545,000	\$30.50
2015 2q	135	17,005,842	2,349,253	13.8%	54,330	0	0	2	1,545,000	\$30.82
2015 1q	135	17,005,842	2,403,583	14.1%	(293,136)	0	0	2	1,545,000	\$31.21
2014 4q	135	17,005,842	2,110,447	12.4%	137,839	0	0	2	1,545,000	\$30.37
2014 3q	134	16,712,707	1,955,151	11.7%	(54,424)	2	440,092	3	1,838,135	\$31.62
2014 2q	132	16,272,615	1,460,635	9.0%	134,607	0	0	5	2,278,227	\$31.35

Source: CoStar Property®