



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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CoStar Group, Inc.

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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 certifi-

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

Houston Office Market



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 Decreases to 16.5%

Net Absorption Positive 202,720 SF in the Quarter

The Houston Office market ended the second quarter 2018 with a vacancy rate of 16.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 202,720 square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 5,906,900 square feet. Rental rates ended the second quarter at \$27.60, a decrease over the previous quarter. A total of 19 buildings delivered to the market in the quarter totaling 290,599 square feet, with 2,659,246 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Houston office market was positive 202,720 square feet in the second quarter 2018. That compares to negative (1,348,787) square feet in the first quarter 2018, positive 796,618 square feet in the fourth quarter 2017, and negative (938,392) square feet in the third 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; Stewart Title moving out of 446,815 square feet at Post Oak Central II; and Reliant Energy Retail Holdings moving out of 262,325 square feet at NRG Tower.

Tenants moving into large blocks of space in 2018 include: United Continental Holdings, Inc. moving into 224,330 square feet at 609 Main at Texas; Motiva Enterprises moving into 204,500 square feet at One Allen Center; and Talos Energy moving into 101,072 square feet at Three Allen Center.

The Class-A office market recorded net absorption of positive 905,412 square feet in the second quarter 2018, compared to negative (925,737) square feet in the first quarter

2018, positive 625,803 in the fourth quarter 2017, and negative (688,660) in the third quarter 2017.

The Class-B office market recorded net absorption of negative (691,162) square feet in the second quarter 2018, compared to negative (375,640) square feet in the first quarter 2018, positive 250,602 in the fourth quarter 2017, and negative (137,378) in the third quarter 2017.

The Class-C office market recorded net absorption of negative (11,530) square feet in the second quarter 2018 compared to negative (47,410) square feet in the first quarter 2018, negative (79,787) in the fourth quarter 2017, and negative (112,354) in the third quarter 2017.

Net absorption for Houston's central business district was positive 130,588 square feet in the second quarter 2018. That compares to negative (506,563) square feet in the first quarter 2018, negative (94,681) in the fourth quarter 2017, and negative (277,070) in the third quarter 2017.

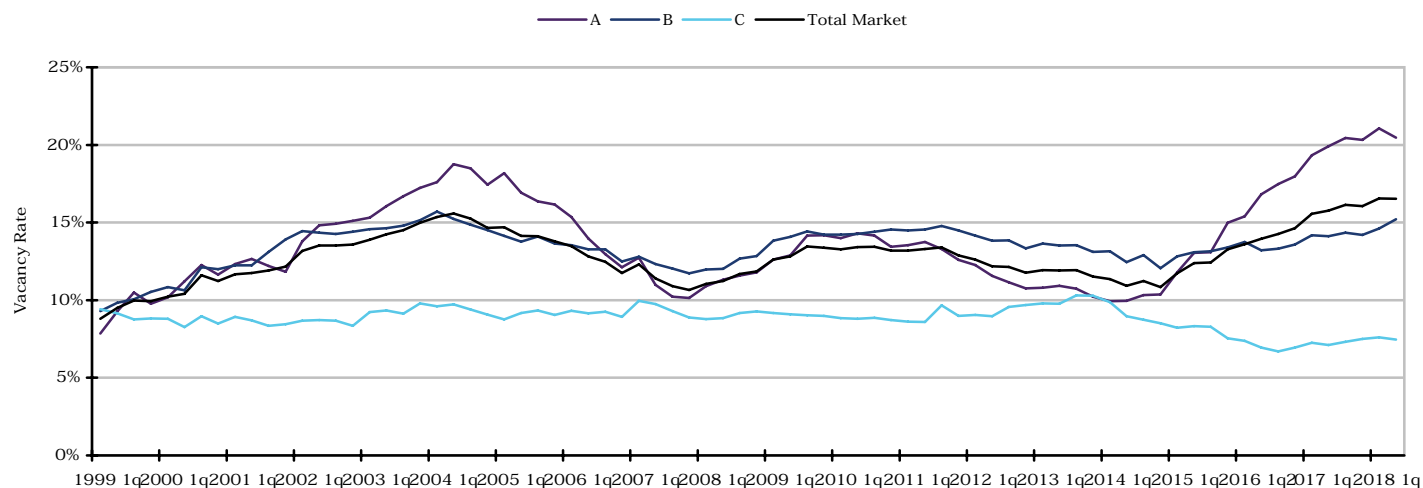
Net absorption for the suburban markets was positive 72,132 square feet in the second quarter 2018. That compares to negative (842,224) square feet in first quarter 2018, positive 891,299 in the fourth quarter 2017, and negative (661,322) in the third quarter 2017.

Vacancy

The office vacancy rate in the Houston market area decreased to 16.5% at the end of the second quarter 2018. The vacancy rate was 16.6% at the end of the first quarter 2018, 16.0% at the end of the fourth quarter 2017, and 16.1% at the end of the third quarter 2017.

Class-A projects reported a vacancy rate of 20.5% at the

Vacancy Rates by Class 1999-2018



Source: CoStar Property®

end of the second quarter 2018, 21.1% at the end of the first quarter 2018, 20.3% at the end of the fourth quarter 2017, and 20.5% at the end of the third quarter 2017.

Class-B projects reported a vacancy rate of 15.2% at the end of the second quarter 2018, 14.6% at the end of the first quarter 2018, 14.2% at the end of the fourth quarter 2017, and 14.3% at the end of the third quarter 2017.

Class-C projects reported a vacancy rate of 7.5% at the end of the second quarter 2018, 7.6% at the end of first quarter 2018, 7.5% at the end of the fourth quarter 2017, and 7.3% at the end of the third quarter 2017.

The overall vacancy rate in Houston's central business district at the end of the second quarter 2018 decreased to 19.3%. The vacancy rate was 19.5% at the end of the first quarter 2018, 18.5% at the end of the fourth quarter 2017, and 18.3% at the end of the third quarter 2017.

The vacancy rate in the suburban markets changed to 16.0% in the second quarter 2018. The vacancy rate was 16.0% at the end of the first quarter 2018, 15.6% at the end of the fourth quarter 2017, and 15.7% at the end of the third quarter 2017.

Largest Lease Signings

The largest lease signings occurring in 2018 included: the 390,717-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 145,907-square-foot lease signed by Apache Corporation at Three Post Oak Central in the West Loop market.

Sublease Vacancy

The amount of vacant sublease space in the Houston market decreased to 5,906,900 square feet by the end of the second quarter 2018, from 6,809,180 square feet at the end of the first quarter 2018. There was 5,916,174 square feet vacant

at the end of the fourth quarter 2017 and 5,971,422 square feet at the end of the third quarter 2017.

Houston's Class-A projects reported vacant sublease space of 5,197,886 square feet at the end of second quarter 2018, down from the 6,207,597 square feet reported at the end of the first quarter 2018. There were 5,270,517 square feet of sublease space vacant at the end of the fourth quarter 2017, and 5,315,343 square feet at the end of the third quarter 2017.

Class-B projects reported vacant sublease space of 681,742 square feet at the end of the second quarter 2018, up from the 559,550 square feet reported at the end of the first quarter 2018. At the end of the fourth quarter 2017 there were 620,804 square feet, and at the end of the third quarter 2017 there were 624,175 square feet vacant.

Class-C projects reported decreased vacant sublease space from the first quarter 2018 to the second quarter 2018. Sublease vacancy went from 42,033 square feet to 27,272 square feet during that time. There was 24,853 square feet at the end of the fourth quarter 2017, and 31,904 square feet at the end of the third quarter 2017.

Sublease vacancy in Houston's central business district stood at 1,471,640 square feet at the end of the second quarter 2018. It was 1,588,238 square feet at the end of the first quarter 2018, 1,307,406 square feet at the end of the fourth quarter 2017, and 1,309,200 square feet at the end of the third quarter 2017.

Sublease vacancy in the suburban markets ended the second quarter 2018 at 4,435,260 square feet. At the end of the first quarter 2018 sublease vacancy was 5,220,942 square feet, was 4,608,768 square feet at the end of the fourth quarter 2017, and was 4,662,222 square feet at the end of the third quarter 2017.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$27.60 per square foot per year at the end of the second quarter 2018 in the Houston market area. This represented a 0.5% decrease in quoted rental rates from the end of the first quarter 2018, when rents were reported at \$27.73 per square foot.

The average quoted rate within the Class-A sector was \$32.74 at the end of the second quarter 2018, while Class-B rates stood at \$21.95, and Class-C rates at \$17.67. At the end of the first quarter 2018, Class-A rates were \$33.33 per square foot, Class-B rates were \$21.63, and Class-C rates were \$17.67.

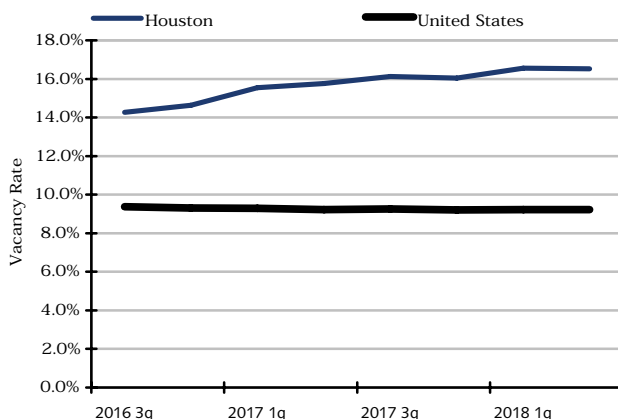
The average quoted asking rental rate in Houston's CBD was \$38.46 at the end of the second quarter 2018, and \$25.44 in the suburban markets. In the first quarter 2018, quoted rates were \$39.10 in the CBD and \$25.50 in the suburbs.

Deliveries and Construction

During the second quarter 2018, 19 buildings totaling

U.S. Vacancy Comparison

Past 8 Quarters



Source: CoStar Property®

Houston Office Market



Overview

290,599 square feet were completed in the Houston market area. This compares to 22 buildings totaling 375,922 square feet that were completed in the first quarter 2018, 19 buildings totaling 1,070,470 square feet completed in the fourth quarter 2017, and 278,816 square feet in 15 buildings completed in the third quarter 2017.

There were 2,659,246 square feet of office space under construction at the end of the second quarter 2018.

Some of the notable 2018 deliveries include: The Post Oak, a 104,579-square-foot facility that delivered in first quarter 2018 and is now 67% occupied, and 4450 Harrisburg Blvd, an 83,076-square-foot building that delivered in second quarter 2018 and is now 64% occupied.

The largest projects underway at the end of second 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 326,424,477 square feet in 9,265 buildings as of the end of the second quarter 2018. The Class-A office sector consisted of 146,131,526 square feet in 512 projects. There were 3,946 Class-B buildings totaling 136,703,441 square feet, and the Class-C sector consisted of 43,589,510 square feet in 4,807 buildings. Within the Office market there were 679 owner-occupied buildings accounting for 46,342,646 square feet of office space.

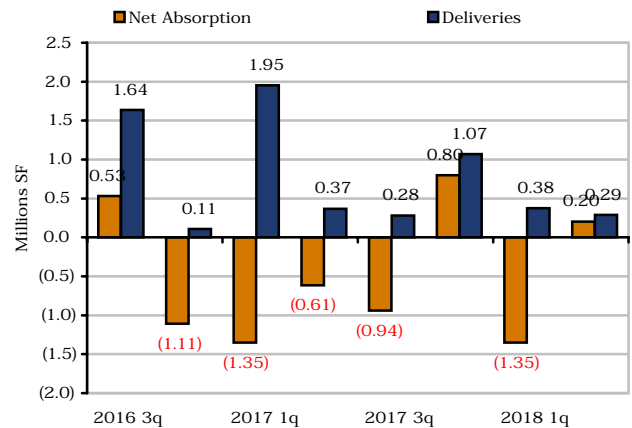
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Houston office sales figures fell during the first quarter 2018 in terms of dollar volume compared to the fourth quarter of 2017.

In the first quarter, nine office transactions closed with a total volume of \$516,840,000. The nine buildings totaled 3,603,897 square feet and the average price per square foot equated to \$143.41 per square foot. That compares to 11 transactions totaling \$1,032,620,000 in the fourth quarter 2017. The

Absorption & Deliveries

Past 8 Quarters



Source: CoStar Property®

total square footage in the fourth quarter was 3,589,411 square feet for an average price per square foot of \$287.69.

Total office building sales activity in 2018 was up compared to 2017. In the first three months of 2018, the market saw nine office sales transactions with a total volume of \$516,840,000. The price per square foot averaged \$143.41. In the same first three months of 2017, the market posted 10 transactions with a total volume of \$425,715,263. The price per square foot averaged \$196.09.

Cap rates have been lower in 2018, averaging 7.36% compared to the same period in 2017 when they averaged 7.40%.

One of the largest transactions that has occurred within the last four quarters in the Houston market is the sale of 5555 San Felipe 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 7.40% 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.

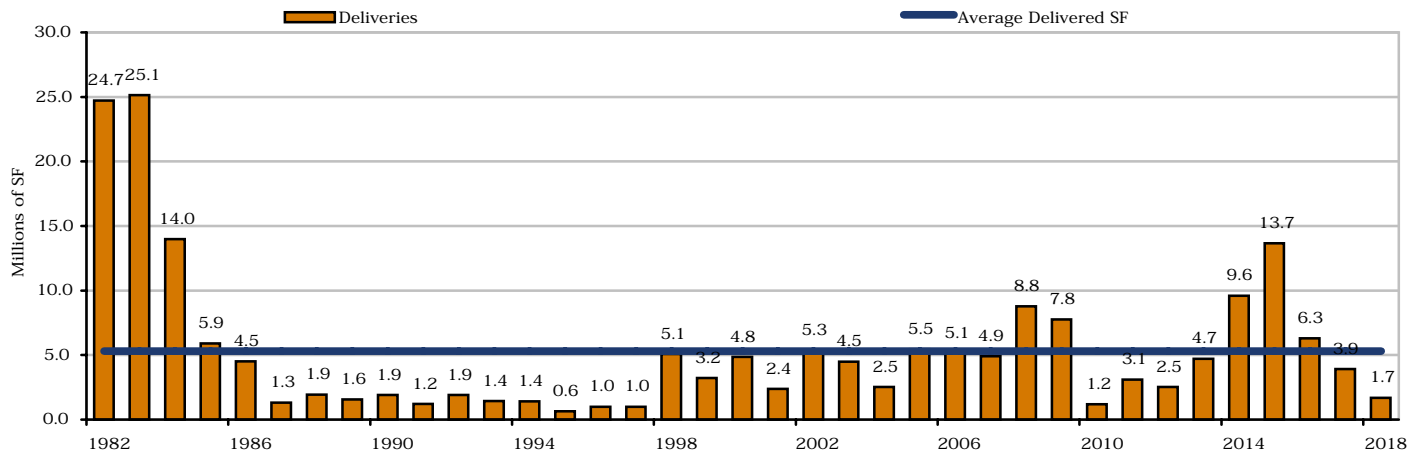
Houston Office Market



Inventory & development

Historical Deliveries

1982 - 2018



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

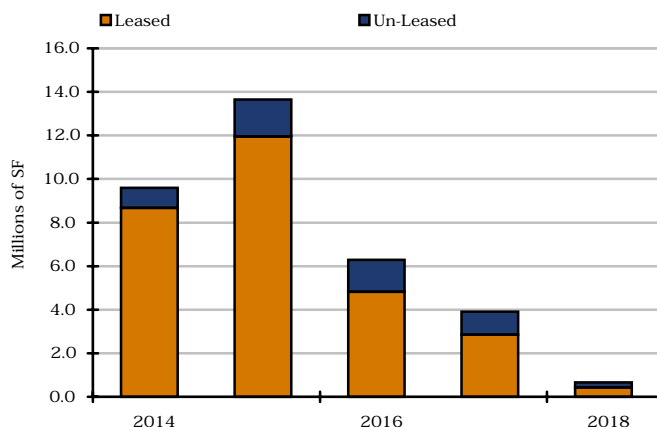
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
The Woodlands	7	926,800	711,817	76.8%	34,684	132,400
Downtown	1	778,344	280,204	36.0%	85,692	778,344
FM 1960	8	260,684	43,122	16.5%	20,199	32,585
Katy Freeway	4	232,774	166,353	71.5%	76,858	58,193
Kingwood/Humble	1	100,000	0	0.0%	15,731	100,000
NASA/Clear Lake	4	94,539	63,876	67.6%	19,999	23,635
E Fort Bend Co/Sugar Land	3	90,251	19,607	21.7%	25,011	30,084
Northwest Outlier	7	48,955	16,374	33.4%	7,407	6,994
Outlying Montgomery Cnty	2	29,052	3,266	11.2%	7,236	14,526
Gulf Freeway/Pasadena	2	18,827	11,288	60.0%	12,786	9,413
All Other	11	79,020	66,119	83.7%	34,460	7,184
Totals	50	2,659,246	1,382,026	52.0%	35,232	53,185

Source: CoStar Property®

Recent Deliveries

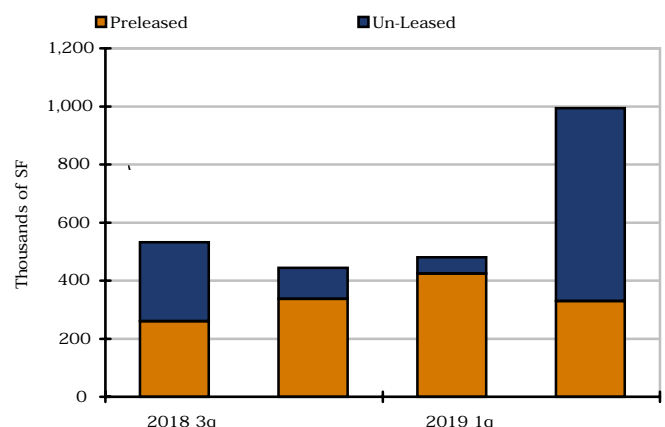
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

Future Deliveries

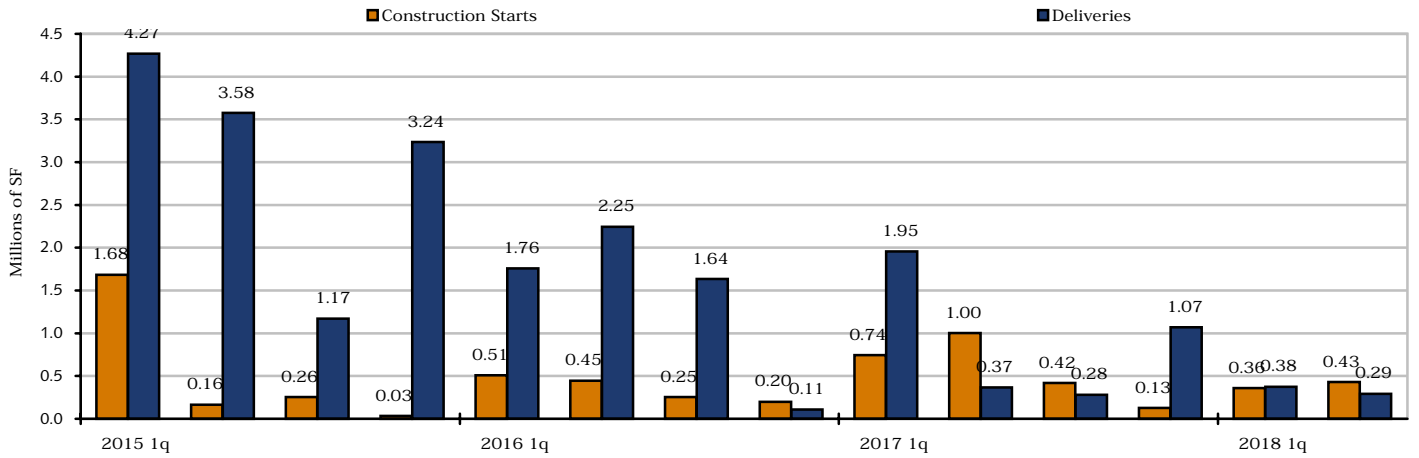
Preleased & Un-Leased SF in Properties Scheduled to Deliver



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	37	356,821	203,937	57.2%	\$28.50	36,987	319,834
50,000 SF - 99,999 SF	3	205,121	150,214	73.2%	\$28.11	0	205,121
100,000 SF - 249,999 SF	1	104,579	70,068	67.0%	\$53.52	0	104,579
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

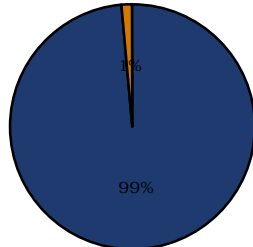
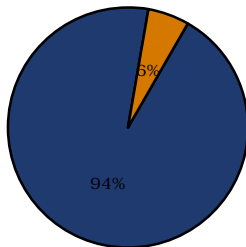
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

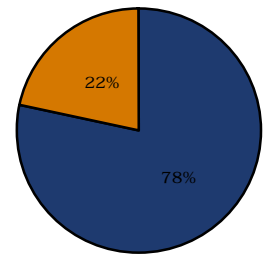
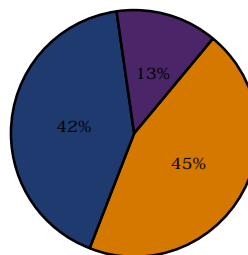
Source: CoStar Property®

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. 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: Landry's Restaurants, Inc. Developer: Tellepsen Builders Architect: Gensler & Associates Architects	2. 4450 Harrisburg Blvd Submarket: Gulf Freeway/Pasadena RBA: 83,076 # Floors: 4 Class: B Occupied: 64% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Arvo Realty Advisors Developer: N/A Architect: N/A	3. Grandway West - Bldg 4 Submarket: Katy/Grand Parkway West RBA: 72,045 # Floors: 2 Class: A Occupied: 100% 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. 8540 Broadway St Submarket: South RBA: 50,000 # Floors: 2 Class: A Occupied: 50% Quoted Rate: \$28.63 Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Jacob Realty Group Developer: N/A Architect: N/A	5. 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	6. 12002 S Highway 6 Submarket: E Fort Bend Co/Sugar Land RBA: 23,520 # Floors: 2 Class: B Occupied: 28% Quoted Rate: \$30.33 Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A
7. 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	8. 12440 Emily Ct Submarket: E Fort Bend Co/Sugar Land RBA: 20,000 # Floors: 1 Class: B Occupied: 2% Quoted Rate: \$31.81 Grnd Brk Date: Third Quarter 2015 Deliv Date: First Quarter 2018 Leasing Co: Jessica Realty Developer: N/A Architect: N/A	9. International Longshoreman 24 Submarket: Gulf Freeway/Pasadena RBA: 20,000 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: ILA Local No. 24 Developer: N/A Architect: N/A
10. 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	11. Heights Central Submarket: Northwest RBA: 15,000 # Floors: 3 Class: B Occupied: 78% Quoted Rate: Negotiable Grnd Brk Date: 2016 Deliv Date: Second Quarter 2018 Leasing Co: NewQuest Properties Developer: N/A Architect: N/A	12. 29900 Aldine Westfield Rd Submarket: The Woodlands RBA: 15,000 # Floors: 1 Class: B Occupied: 32% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Finial Group Developer: N/A Architect: N/A
13. 210 Genesis Blvd Submarket: NASA/Clear Lake RBA: 14,500 # Floors: 1 Class: B Occupied: 76% Quoted Rate: Negotiable Grnd Brk Date: N/A Deliv Date: First Quarter 2018 Leasing Co: N/A Developer: N/A Architect: N/A	14. Spectrum Medical Professional Building Submarket: Conroe RBA: 13,000 # Floors: 1 Class: B Occupied: 84% Quoted Rate: Negotiable Grnd Brk Date: Third Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Woodlands Realty Professionals Developer: N/A Architect: N/A	15. 2610 N Mason Rd Submarket: Katy/Grand Parkway West RBA: 12,000 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Hiterndra Belani Developer: N/A Architect: N/A

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. Chasewood Crossing Three Submarket: FM 1960 RBA: 156,000 # Floors: 6 Class: A Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2018 Deliv Date: Third Quarter 2019 Leasing Co: Brenda Pennington Commercial Real E Developer: Greenwood Properties Inc Architect: Billy D. Tippit Architects Inc	6. CityPlace 1 Submarket: The Woodlands RBA: 149,500 # Floors: 5 Class: A Preleased: 5% Quoted Rate: \$33.23 Grnd Brk Date: Second Quarter 2018 Deliv Date: Second Quarter 2019 Leasing Co: JLL Developer: Patrinely Group, LLC Architect: Gensler & Associates Architects
7. The Cannon Submarket: Katy Freeway RBA: 120,000 # Floors: 1 Class: B Preleased: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2018 Deliv Date: Third Quarter 2018 Leasing Co: Ben Griffin Developer: N/A Architect: N/A	8. 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, LP Developer: Stream Realty Partners, LP Architect: E4H	9. 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: Healthcare Trust of America Developer: N/A Architect: N/A
10. Tannos land Holding III Submarket: NASA/Clear Lake RBA: 51,614 # Floors: 4 Class: A Preleased: 51% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2018 Deliv Date: Second Quarter 2019 Leasing Co: UTR-Texas Realtors Developer: N/A Architect: N/A	11. Vision Park Medical Submarket: The Woodlands RBA: 51,000 # Floors: 3 Class: B Preleased: 15% Quoted Rate: \$34.49 Grnd Brk Date: Third Quarter 2017 Deliv Date: Third Quarter 2018 Leasing Co: J. Beard Real Estate Company Developer: N/A Architect: N/A	12. 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: Third Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A
13. Egrets Landing Submarket: E Fort Bend Co/Sugar Land RBA: 30,852 # Floors: 2 Class: A Preleased: 44% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2017 Deliv Date: Third Quarter 2018 Leasing Co: InSite Commercial Real Estate Developer: E Contractors USA LLC Architect: N/A	14. Dotson Rd Submarket: FM 1960 RBA: 30,000 # Floors: 2 Class: B Preleased: 0% Quoted Rate: \$25.33 Grnd Brk Date: First Quarter 2018 Deliv Date: Fourth Quarter 2018 Leasing Co: Advisors Commercial Real Estate Developer: N/A Architect: N/A	15. 16803 Stuebner Airline Rd Submarket: FM 1960 RBA: 29,904 # Floors: 2 Class: B Preleased: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2017 Deliv Date: Third Quarter 2018 Leasing Co: Hiba Marine Inc Developer: N/A Architect: N/A

Houston Office Market



Figures at a Glance

Class A Market Statistics

Mid-Year 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	199,075	217,767	14.8%	(22,042)	0	0	\$27.93
Conroe	2	128,832	18,422	18,422	14.3%	0	0	0	\$25.63
Downtown	48	37,529,971	5,470,396	6,867,103	18.3%	(114,079)	0	778,344	\$40.85
E Fort Bend Co/Sugar.	20	3,774,860	250,036	411,841	10.9%	(107,119)	0	30,852	\$26.23
FM 1960	21	4,105,257	450,690	463,202	11.3%	(59,323)	0	156,000	\$27.61
Greenway Plaza	21	7,427,627	1,409,508	1,458,948	19.6%	(137,412)	0	0	\$30.56
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	100	24,879,836	3,651,271	5,407,230	21.7%	252,572	0	102,474	\$32.61
Katy/Grand Parkway W	24	2,085,884	511,350	525,442	25.2%	119,744	72,045	0	\$29.25
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	2,121,666	279,937	290,513	13.7%	(20,038)	0	80,339	\$28.36
North Belt	25	5,513,534	3,443,012	3,457,531	62.7%	(126,627)	0	0	\$21.97
Northeast Near	3	642,223	21,702	21,702	3.4%	10,881	0	0	\$0.00
Northeast Outlier	1	36,400	0	0	0.0%	0	0	0	\$0.00
Northwest	10	2,037,781	687,878	712,035	34.9%	(2,297)	0	0	\$23.00
Northwest Outlier	1	165,671	72,370	72,370	43.7%	36,084	0	0	\$30.23
Outlying Chambers Co.	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery	3	103,449	56,449	56,449	54.6%	25,000	0	0	\$23.53
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	466,583	476,180	27.7%	(28,748)	0	0	\$36.27
San Jacinto County	0	0	0	0	0.0%	0	0	0	\$0.00
South	6	720,318	53,898	53,898	7.5%	25,809	50,000	0	\$28.35
South Hwy 35	0	0	0	0	0.0%	0	0	0	\$0.00
South Main/Medical C.	14	4,462,086	220,480	234,207	5.2%	(8,325)	0	0	\$33.72
Southeast Outlier	3	246,382	28,406	28,406	11.5%	14,264	0	0	\$30.34
Southwest	9	2,053,918	439,713	468,876	22.8%	49,721	0	0	\$18.81
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	52	12,042,392	996,910	1,054,515	8.8%	155,880	0	854,300	\$32.10
West Belt	30	4,380,523	805,410	1,237,190	28.2%	(348,097)	0	0	\$29.01
West Loop	50	18,002,685	3,221,480	3,720,041	20.7%	420,215	104,579	0	\$37.36
Westchase	34	10,004,357	1,854,698	2,553,692	25.5%	(131,906)	0	0	\$28.78
Totals	512	146,131,526	24,707,678	29,905,564	20.5%	(20,325)	226,624	2,102,309	\$32.74

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class B Market Statistics

Mid-Year 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	13	152,480	2,552	2,552	1.7%	(2,552)	0	0	\$0.00
Baytown	44	1,074,050	81,568	81,568	7.6%	(11,292)	6,003	0	\$23.20
Bellaire	36	2,709,383	165,519	170,030	6.3%	(41,731)	0	5,000	\$24.29
Conroe	81	1,359,813	153,397	153,397	11.3%	17,050	31,000	0	\$24.20
Downtown	211	18,379,775	3,317,955	3,416,503	18.6%	(224,603)	0	0	\$27.99
E Fort Bend Co/Sugar.	278	5,293,098	480,081	538,575	10.2%	7,933	87,145	59,399	\$24.96
FM 1960	411	8,495,575	1,379,962	1,411,759	16.6%	(94,065)	71,838	104,684	\$19.19
Greenway Plaza	52	4,139,887	481,524	490,732	11.9%	(68,261)	0	0	\$26.03
Gulf Freeway/Pasaden.	199	4,534,855	669,776	680,331	15.0%	22,186	107,876	18,827	\$22.46
I-10 East	29	647,090	104,971	104,971	16.2%	(4,576)	0	0	\$17.50
Katy Freeway	218	12,182,185	2,281,339	2,373,834	19.5%	(179,196)	4,320	130,300	\$21.37
Katy/Grand Parkway W.	282	3,310,246	118,434	132,970	4.0%	35,274	38,100	13,300	\$28.21
Kingwood/Humble	94	2,322,839	225,478	225,796	9.7%	(77,275)	0	0	\$24.62
Liberty County	12	92,060	948	948	1.0%	2,534	0	0	\$0.00
NASA/Clear Lake	243	6,188,456	1,276,649	1,278,224	20.7%	92,821	0	14,200	\$20.05
North Belt	76	6,612,816	1,956,725	1,982,845	30.0%	(204,088)	0	0	\$16.00
Northeast Near	33	697,801	83,663	83,663	12.0%	(1,561)	0	0	\$18.66
Northeast Outlier	42	632,995	52,801	52,801	8.3%	(12,918)	0	8,000	\$24.55
Northwest	169	6,872,418	1,053,692	1,059,164	15.4%	21,902	15,000	10,020	\$19.58
Northwest Outlier	105	1,015,433	109,676	109,676	10.8%	(6,107)	7,000	48,955	\$25.91
Outlying Chambers Co.	6	22,672	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	83	840,793	90,777	90,777	10.8%	133	5,000	29,052	\$23.80
Outlying Waller Coun.	5	25,686	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	29	1,048,984	148,223	148,223	14.1%	(9,232)	0	0	\$17.71
San Felipe/Voss	36	3,499,385	602,868	627,764	17.9%	(64,120)	0	0	\$24.33
San Jacinto County	1	27,261	0	0	0.0%	0	0	0	\$0.00
South	96	1,565,761	174,595	174,595	11.2%	(21,991)	0	0	\$25.59
South Hwy 35	39	376,796	11,928	11,928	3.2%	5,643	0	15,000	\$14.86
South Main/Medical C.	75	6,070,261	220,481	220,481	3.6%	2,083	0	0	\$26.20
Southeast Outlier	120	2,455,850	266,936	266,936	10.9%	1,858	20,070	15,000	\$20.62
Southwest	128	7,646,101	1,291,223	1,349,212	17.6%	(127,132)	0	0	\$17.00
Southwest Far	36	956,196	254,890	254,890	26.7%	1,586	0	0	\$24.37
Southwest Outlier	88	1,194,752	137,831	140,391	11.8%	15,419	2,645	1,200	\$25.05
The Woodlands	388	7,936,270	758,733	832,559	10.5%	62,626	37,900	72,500	\$26.73
West Belt	56	2,277,927	360,986	462,875	20.3%	(17,207)	6,000	11,500	\$19.71
West Loop	58	6,184,247	836,484	883,334	14.3%	(103,096)	0	0	\$27.44
Westchase	74	7,861,244	960,860	980,963	12.5%	(84,847)	0	0	\$19.12
Totals	3,946	136,703,441	20,113,525	20,795,267	15.2%	(1,066,802)	439,897	556,937	\$21.95

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class C Market Statistics

Mid-Year 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	5,078	5,078	4.8%	1,600	0	0	\$15.81
Baytown	94	601,924	33,943	33,943	5.6%	34,323	0	0	\$18.65
Bellaire	44	760,884	45,830	45,830	6.0%	5,431	0	0	\$19.19
Conroe	175	1,134,294	75,246	75,246	6.6%	(16,304)	0	0	\$16.87
Downtown	442	4,160,453	268,694	268,919	6.5%	(37,194)	0	0	\$22.87
E Fort Bend Co/Sugar.	97	811,241	14,443	14,443	1.8%	(1,426)	0	0	\$20.33
FM 1960	335	2,891,562	298,697	298,697	10.3%	43,032	0	0	\$16.17
Greenway Plaza	203	1,493,603	101,237	101,237	6.8%	2,000	0	0	\$23.08
Gulf Freeway/Pasaden.	424	3,421,020	371,906	371,906	10.9%	(31,848)	0	0	\$17.31
I-10 East	100	657,358	43,166	43,166	6.6%	620	0	0	\$18.51
Katy Freeway	204	3,057,867	175,832	186,389	6.1%	(48,910)	0	0	\$21.03
Katy/Grand Parkway W.	94	586,668	25,322	25,322	4.3%	29,578	0	0	\$20.22
Kingwood/Humble	122	932,967	54,526	54,526	5.8%	31,208	0	0	\$19.55
Liberty County	56	255,628	1,398	1,398	0.5%	8,878	0	0	\$0.00
NASA/Clear Lake	257	2,029,582	153,151	153,151	7.5%	4,673	0	0	\$18.70
North Belt	72	1,867,771	470,864	473,621	25.4%	(19,050)	0	0	\$12.87
Northeast Near	109	914,856	28,723	28,723	3.1%	15,564	0	0	\$18.06
Northeast Outlier	42	220,626	7,506	7,506	3.4%	4,461	0	0	\$15.49
Northwest	344	3,066,802	232,039	232,039	7.6%	(80,779)	0	0	\$16.86
Northwest Outlier	125	529,865	43,470	53,503	10.1%	1,525	0	0	\$20.29
Outlying Chambers Co.	14	32,229	500	500	1.6%	(500)	0	0	\$0.00
Outlying Montgomery .	98	387,215	12,406	12,406	3.2%	3,780	0	0	\$18.48
Outlying Waller Coun.	16	86,705	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	86	1,108,399	41,981	41,981	3.8%	(18,161)	0	0	\$16.19
San Felipe/Voss	12	146,216	18,878	18,878	12.9%	(8,387)	0	0	\$24.86
San Jacinto County	2	11,878	0	0	0.0%	0	0	0	\$0.00
South	152	916,556	55,656	55,656	6.1%	44,858	0	0	\$14.46
South Hwy 35	110	422,787	17,904	17,904	4.2%	6,118	0	0	\$14.58
South Main/Medical C.	147	2,772,147	88,907	91,607	3.3%	(19,988)	0	0	\$19.41
Southeast Outlier	222	1,424,686	86,893	86,893	6.1%	19,761	0	0	\$15.35
Southwest	162	3,124,380	303,230	304,230	9.7%	(36,188)	0	0	\$15.29
Southwest Far	54	339,833	6,373	6,373	1.9%	367	0	0	\$17.29
Southwest Outlier	116	445,612	45,880	45,880	10.3%	(8,390)	0	0	\$16.21
The Woodlands	175	1,351,780	60,523	60,523	4.5%	9,599	0	0	\$23.36
West Belt	20	212,243	0	0	0.0%	0	0	0	\$0.00
West Loop	25	478,201	9,994	9,994	2.1%	(2,442)	0	0	\$20.53
Westchase	29	828,241	28,905	28,905	3.5%	3,251	0	0	\$15.26
Totals	4,807	43,589,510	3,229,101	3,256,373	7.5%	(58,940)	0	0	\$17.67

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Total Office Market Statistics

Mid-Year 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	41	257,911	7,630	7,630	3.0%	(952)	0	0	\$15.81
Baytown	138	1,675,974	115,511	115,511	6.9%	23,031	6,003	0	\$21.63
Bellaire	88	4,945,748	410,424	433,627	8.8%	(58,342)	0	5,000	\$25.64
Conroe	258	2,622,939	247,065	247,065	9.4%	746	31,000	0	\$22.46
Downtown	701	60,070,199	9,057,045	10,552,525	17.6%	(375,876)	0	778,344	\$37.63
E Fort Bend Co/Sugar.	395	9,879,199	744,560	964,859	9.8%	(100,612)	87,145	90,251	\$25.40
FM 1960	767	15,492,394	2,129,349	2,173,658	14.0%	(110,356)	71,838	260,684	\$20.35
Greenway Plaza	276	13,061,117	1,992,269	2,050,917	15.7%	(203,673)	0	0	\$29.37
Gulf Freeway/Pasaden.	624	7,978,581	1,041,682	1,052,237	13.2%	(9,662)	107,876	18,827	\$20.51
I-10 East	129	1,304,448	148,137	148,137	11.4%	(3,956)	0	0	\$17.83
Katy Freeway	522	40,119,888	6,108,442	7,967,453	19.9%	24,466	4,320	232,774	\$28.59
Katy/Grand Parkway W.	400	5,982,798	655,106	683,734	11.4%	184,596	110,145	13,300	\$28.24
Kingwood/Humble	219	3,445,118	313,879	314,197	9.1%	(70,549)	0	100,000	\$24.21
Liberty County	68	347,688	2,346	2,346	0.7%	11,412	0	0	\$0.00
NASA/Clear Lake	517	10,339,704	1,709,737	1,721,888	16.7%	77,456	0	94,539	\$21.10
North Belt	173	13,994,121	5,870,601	5,913,997	42.3%	(349,765)	0	0	\$19.27
Northeast Near	145	2,254,880	134,088	134,088	5.9%	24,884	0	0	\$18.35
Northeast Outlier	85	890,021	60,307	60,307	6.8%	(8,457)	0	8,000	\$22.19
Northwest	523	11,977,001	1,973,609	2,003,238	16.7%	(61,174)	15,000	10,020	\$20.67
Northwest Outlier	231	1,710,969	225,516	235,549	13.8%	31,502	7,000	48,955	\$26.05
Outlying Chambers Co.	20	54,901	500	500	0.9%	(500)	0	0	\$0.00
Outlying Montgomery .	184	1,331,457	159,632	159,632	12.0%	28,913	5,000	29,052	\$22.74
Outlying Waller Coun.	21	112,391	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	115	2,157,383	190,204	190,204	8.8%	(27,393)	0	0	\$17.43
San Felipe/Voss	51	5,366,394	1,088,329	1,122,822	20.9%	(101,255)	0	0	\$29.12
San Jacinto County	3	39,139	0	0	0.0%	0	0	0	\$0.00
South	254	3,202,635	284,149	284,149	8.9%	48,676	50,000	0	\$24.45
South Hwy 35	149	799,583	29,832	29,832	3.7%	11,761	0	15,000	\$14.76
South Main/Medical C.	236	13,304,494	529,868	546,295	4.1%	(26,230)	0	0	\$27.05
Southeast Outlier	345	4,126,918	382,235	382,235	9.3%	35,883	20,070	15,000	\$20.14
Southwest	299	12,824,399	2,034,166	2,122,318	16.5%	(113,599)	0	0	\$17.15
Southwest Far	92	1,454,749	281,000	281,000	19.3%	1,953	0	0	\$23.04
Southwest Outlier	205	1,739,226	228,103	230,663	13.3%	7,029	2,645	1,200	\$23.93
The Woodlands	615	21,330,442	1,816,166	1,947,597	9.1%	228,105	37,900	926,800	\$29.08
West Belt	106	6,870,693	1,166,396	1,700,065	24.7%	(365,304)	6,000	11,500	\$25.99
West Loop	133	24,665,133	4,067,958	4,613,369	18.7%	314,677	104,579	0	\$35.23
Westchase	137	18,693,842	2,844,463	3,563,560	19.1%	(213,502)	0	0	\$24.95
Totals	9,265	326,424,477	48,050,304	53,957,204	16.5%	(1,146,067)	666,521	2,659,246	\$27.60

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class A Submarket Statistics

Mid-Year 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	199,075	217,767	14.8%	(22,042)	0	0	\$27.93
CBD	39	34,890,251	5,128,694	6,522,942	18.7%	(213,252)	0	778,344	\$41.31
Conroe	2	128,832	18,422	18,422	14.3%	0	0	0	\$25.63
E Fort Bend Co/Sugar.	20	3,774,860	250,036	411,841	10.9%	(107,119)	0	30,852	\$26.23
FM 1960/Champions	2	214,500	5,557	5,557	2.6%	(1,857)	0	0	\$16.10
FM 1960/Hwy 249	17	3,684,052	380,197	392,709	10.7%	(47,042)	0	156,000	\$28.22
FM 1960/I-45 North	2	206,705	64,936	64,936	31.4%	(10,424)	0	0	\$25.00
Galleria/Uptown	36	13,499,004	1,993,699	2,406,945	17.8%	347,200	104,579	0	\$38.43
Greenspoint/IAH	8	1,213,677	525,390	530,848	43.7%	26,952	0	0	\$22.35
Greenspoint/N Belt W.	17	4,299,857	2,917,622	2,926,683	68.1%	(153,579)	0	0	\$21.92
Greenway Plaza	21	7,427,627	1,409,508	1,458,948	19.6%	(137,412)	0	0	\$30.56
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	28	6,027,646	783,402	890,653	14.8%	45,041	0	102,474	\$38.45
Katy Freeway West	72	18,852,190	2,867,869	4,516,577	24.0%	207,531	0	0	\$32.02
Katy/Grand Parkway W.	24	2,085,884	511,350	525,442	25.2%	119,744	72,045	0	\$29.25
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	9	2,639,720	341,702	344,161	13.0%	99,173	0	0	\$32.78
NASA/Clear Lake	17	2,121,666	279,937	290,513	13.7%	(20,038)	0	80,339	\$28.36
North Loop West	6	1,240,544	341,495	365,652	29.5%	7,504	0	0	\$26.34
Northeast Near	3	642,223	21,702	21,702	3.4%	10,881	0	0	\$0.00
Northeast Outlier	1	36,400	0	0	0.0%	0	0	0	\$0.00
Northwest Far	4	797,237	346,383	346,383	43.4%	(9,801)	0	0	\$19.44
Northwest Near	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Outlier	1	165,671	72,370	72,370	43.7%	36,084	0	0	\$30.23
Outlying Chambers Co.	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery	3	103,449	56,449	56,449	54.6%	25,000	0	0	\$23.53
Outlying Waller Coun.	0	0	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	9	2,617,868	863,813	936,586	35.8%	1,438	0	0	\$36.67
Richmond/Fountainvie.	0	0	0	0	0.0%	0	0	0	\$0.00
Riverway	5	1,885,813	363,968	376,510	20.0%	71,577	0	0	\$33.08
San Felipe/Voss	3	1,720,793	466,583	476,180	27.7%	(28,748)	0	0	\$36.27
San Jacinto County	0	0	0	0	0.0%	0	0	0	\$0.00
South	6	720,318	53,898	53,898	7.5%	25,809	50,000	0	\$28.35
South Hwy 35	0	0	0	0	0.0%	0	0	0	\$0.00
South Main/Medical C.	14	4,462,086	220,480	234,207	5.2%	(8,325)	0	0	\$33.72
Southeast Outlier	3	246,382	28,406	28,406	11.5%	14,264	0	0	\$30.34
Southwest Beltwa	3	566,699	85,738	85,738	15.1%	18,576	0	0	\$18.78
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	353,975	383,138	25.8%	31,145	0	0	\$18.81
The Woodlands	52	12,042,392	996,910	1,054,515	8.8%	155,880	0	854,300	\$32.10
West Belt	30	4,380,523	805,410	1,237,190	28.2%	(348,097)	0	0	\$29.01
Westchase	34	10,004,357	1,854,698	2,553,692	25.5%	(131,906)	0	0	\$28.78
Totals	512	146,131,526	24,707,678	29,905,564	20.5%	(20,325)	226,624	2,102,309	\$32.74

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class B Submarket Statistics

Mid-Year 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	13	152,480	2,552	2,552	1.7%	(2,552)	0	0	\$0.00
Baytown	44	1,074,050	81,568	81,568	7.6%	(11,292)	6,003	0	\$23.20
Bellaire	36	2,709,383	165,519	170,030	6.3%	(41,731)	0	5,000	\$24.29
CBD	62	13,955,488	3,038,877	3,116,269	22.3%	(169,370)	0	0	\$28.05
Conroe	81	1,359,813	153,397	153,397	11.3%	17,050	31,000	0	\$24.20
E Fort Bend Co/Sugar.	278	5,293,098	480,081	538,575	10.2%	7,933	87,145	59,399	\$24.96
FM 1960/Champions	124	2,862,507	479,470	479,470	16.8%	25,990	43,600	29,904	\$15.91
FM 1960/Hwy 249	222	3,796,723	424,648	456,445	12.0%	(17,253)	28,238	74,780	\$23.23
FM 1960/I-45 North	65	1,836,345	475,844	475,844	25.9%	(102,802)	0	0	\$18.69
Galleria/Uptown	23	3,218,910	347,527	387,111	12.0%	(57,314)	0	0	\$27.75
Greenspoint/IAH	21	1,638,936	240,701	240,701	14.7%	1,028	0	0	\$16.25
Greenspoint/N Belt W.	55	4,973,880	1,716,024	1,742,144	35.0%	(205,116)	0	0	\$15.96
Greenway Plaza	52	4,139,887	481,524	490,732	11.9%	(68,261)	0	0	\$26.03
Gulf Freeway/Pasaden.	199	4,534,855	669,776	680,331	15.0%	22,186	107,876	18,827	\$22.46
I-10 East	29	647,090	104,971	104,971	16.2%	(4,576)	0	0	\$17.50
Katy Freeway East	84	3,472,586	260,624	282,396	8.1%	31,515	0	0	\$19.20
Katy Freeway West	134	8,709,599	2,020,715	2,091,438	24.0%	(210,711)	4,320	130,300	\$21.81
Katy/Grand Parkway W	282	3,310,246	118,434	132,970	4.0%	35,274	38,100	13,300	\$28.21
Kingwood/Humble	94	2,322,839	225,478	225,796	9.7%	(77,275)	0	0	\$24.62
Liberty County	12	92,060	948	948	1.0%	2,534	0	0	\$0.00
Midtown	149	4,424,287	279,078	300,234	6.8%	(55,233)	0	0	\$27.78
NASA/Clear Lake	243	6,188,456	1,276,649	1,278,224	20.7%	92,821	0	14,200	\$20.05
North Loop West	105	3,402,110	509,754	515,226	15.1%	(22,657)	15,000	10,020	\$23.20
Northeast Near	33	697,801	83,663	83,663	12.0%	(1,561)	0	0	\$18.66
Northeast Outlier	42	632,995	52,801	52,801	8.3%	(12,918)	0	8,000	\$24.55
Northwest Far	45	2,671,814	478,021	478,021	17.9%	45,702	0	0	\$16.19
Northwest Near	19	798,494	65,917	65,917	8.3%	(1,143)	0	0	\$18.63
Northwest Outlier	105	1,015,433	109,676	109,676	10.8%	(6,107)	7,000	48,955	\$25.91
Outlying Chambers Co.	6	22,672	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	83	840,793	90,777	90,777	10.8%	133	5,000	29,052	\$23.80
Outlying Waller Coun.	5	25,686	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	20	1,880,948	324,296	329,006	17.5%	(44,639)	0	0	\$27.94
Richmond/Fountainvie.	29	1,048,984	148,223	148,223	14.1%	(9,232)	0	0	\$17.71
Riverway	15	1,084,389	164,661	167,217	15.4%	(1,143)	0	0	\$25.83
San Felipe/Voss	36	3,499,385	602,868	627,764	17.9%	(64,120)	0	0	\$24.33
San Jacinto County	1	27,261	0	0	0.0%	0	0	0	\$0.00
South	96	1,565,761	174,595	174,595	11.2%	(21,991)	0	0	\$25.59
South Hwy 35	39	376,796	11,928	11,928	3.2%	5,643	0	15,000	\$14.86
South Main/Medical C.	75	6,070,261	220,481	220,481	3.6%	2,083	0	0	\$26.20
Southeast Outlier	120	2,455,850	266,936	266,936	10.9%	1,858	20,070	15,000	\$20.62
Southwest Beltway 8	98	5,628,276	933,116	991,105	17.6%	(115,473)	0	0	\$17.89
Southwest Far	36	956,196	254,890	254,890	26.7%	1,586	0	0	\$24.37
Southwest Outlier	88	1,194,752	137,831	140,391	11.8%	15,419	2,645	1,200	\$25.05
Southwest/Hillcroft	30	2,017,825	358,107	358,107	17.7%	(11,659)	0	0	\$14.42
The Woodlands	388	7,936,270	758,733	832,559	10.5%	62,626	37,900	72,500	\$26.73
West Belt	56	2,277,927	360,986	462,875	20.3%	(17,207)	6,000	11,500	\$19.71
Westchase	74	7,861,244	960,860	980,963	12.5%	(84,847)	0	0	\$19.12
Totals	3,946	136,703,441	20,113,525	20,795,267	15.2%	(1,066,802)	439,897	556,937	\$21.95

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class C Submarket Statistics

Mid-Year 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	5,078	5,078	4.8%	1,600	0	0	\$15.81
Baytown	94	601,924	33,943	33,943	5.6%	34,323	0	0	\$18.65
Bellaire	44	760,884	45,830	45,830	6.0%	5,431	0	0	\$19.19
CBD	59	1,717,892	106,951	106,951	6.2%	6,647	0	0	\$20.26
Conroe	175	1,134,294	75,246	75,246	6.6%	(16,304)	0	0	\$16.87
E Fort Bend Co/Sugar.	97	811,241	14,443	14,443	1.8%	(1,426)	0	0	\$20.33
FM 1960/Champions	126	1,271,540	146,683	146,683	11.5%	41,894	0	0	\$15.26
FM 1960/Hwy 249	167	1,136,065	44,044	44,044	3.9%	(1,283)	0	0	\$16.56
FM 1960/I-45 North	42	483,957	107,970	107,970	22.3%	2,421	0	0	\$18.57
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	\$8.59
Greenspoint/N Belt W.	46	1,586,088	463,964	466,721	29.4%	(21,525)	0	0	\$12.96
Greenway Plaza	203	1,493,603	101,237	101,237	6.8%	2,000	0	0	\$23.08
Gulf Freeway/Pasaden.	424	3,421,020	371,906	371,906	10.9%	(31,848)	0	0	\$17.31
I-10 East	100	657,358	43,166	43,166	6.6%	620	0	0	\$18.51
Katy Freeway East	151	2,264,922	90,362	95,309	4.2%	(6,792)	0	0	\$21.86
Katy Freeway West	53	792,945	85,470	91,080	11.5%	(42,118)	0	0	\$19.65
Katy/Grand Parkway W.	94	586,668	25,322	25,322	4.3%	29,578	0	0	\$20.22
Kingwood/Humble	122	932,967	54,526	54,526	5.8%	31,208	0	0	\$19.55
Liberty County	56	255,628	1,398	1,398	0.5%	8,878	0	0	\$0.00
Midtown	383	2,442,561	161,743	161,968	6.6%	(43,841)	0	0	\$26.02
NASA/Clear Lake	257	2,029,582	153,151	153,151	7.5%	4,673	0	0	\$18.70
North Loop West	229	1,475,520	99,054	99,054	6.7%	(36,866)	0	0	\$18.97
Northeast Near	109	914,856	28,723	28,723	3.1%	15,564	0	0	\$18.06
Northeast Outlier	42	220,626	7,506	7,506	3.4%	4,461	0	0	\$15.49
Northwest Far	81	953,910	74,946	74,946	7.9%	(22,853)	0	0	\$15.46
Northwest Near	34	637,372	58,039	58,039	9.1%	(21,060)	0	0	\$17.58
Northwest Outlier	125	529,865	43,470	53,503	10.1%	1,525	0	0	\$20.29
Outlying Chambers Co.	14	32,229	500	500	1.6%	(500)	0	0	\$0.00
Outlying Montgomery .	98	387,215	12,406	12,406	3.2%	3,780	0	0	\$18.48
Outlying Waller Coun.	16	86,705	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	14	225,329	7,809	7,809	3.5%	(257)	0	0	\$22.50
Richmond/Fountainvie.	86	1,108,399	41,981	41,981	3.8%	(18,161)	0	0	\$16.19
Riverway	4	120,274	2,185	2,185	1.8%	(2,185)	0	0	\$20.00
San Felipe/Voss	12	146,216	18,878	18,878	12.9%	(8,387)	0	0	\$24.86
San Jacinto County	2	11,878	0	0	0.0%	0	0	0	\$0.00
South	152	916,556	55,656	55,656	6.1%	44,858	0	0	\$14.46
South Hwy 35	110	422,787	17,904	17,904	4.2%	6,118	0	0	\$14.58
South Main/Medical C.	147	2,772,147	88,907	91,607	3.3%	(19,988)	0	0	\$19.41
Southeast Outlier	222	1,424,686	86,893	86,893	6.1%	19,761	0	0	\$15.35
Southwest Beltway 8	91	1,283,937	55,539	56,539	4.4%	(19,301)	0	0	\$15.53
Southwest Far	54	339,833	6,373	6,373	1.9%	367	0	0	\$17.29
Southwest Outlier	116	445,612	45,880	45,880	10.3%	(8,390)	0	0	\$16.21
Southwest/Hillcroft	71	1,840,443	247,691	247,691	13.5%	(16,887)	0	0	\$15.20
The Woodlands	175	1,351,780	60,523	60,523	4.5%	9,599	0	0	\$23.36
West Belt	20	212,243	0	0	0.0%	0	0	0	\$0.00
Westchase	29	828,241	28,905	28,905	3.5%	3,251	0	0	\$15.26
Totals	4,807	43,589,510	3,229,101	3,256,373	7.5%	(58,940)	0	0	\$17.67

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Total Office Submarket Statistics

Mid-Year 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	41	257,911	7,630	7,630	3.0%	(952)	0	0	\$15.81
Baytown	138	1,675,974	115,511	115,511	6.9%	23,031	6,003	0	\$21.63
Bellaire	88	4,945,748	410,424	433,627	8.8%	(58,342)	0	5,000	\$25.64
CBD	160	50,563,631	8,274,522	9,746,162	19.3%	(375,975)	0	778,344	\$38.46
Conroe	258	2,622,939	247,065	247,065	9.4%	746	31,000	0	\$22.46
E Fort Bend Co/Sugar.	395	9,879,199	744,560	964,859	9.8%	(100,612)	87,145	90,251	\$25.40
FM 1960/Champions	252	4,348,547	631,710	631,710	14.5%	66,027	43,600	29,904	\$15.74
FM 1960/Hwy 249	406	8,616,840	848,889	893,198	10.4%	(65,578)	28,238	230,780	\$24.56
FM 1960/I-45 North	109	2,527,007	648,750	648,750	25.7%	(110,805)	0	0	\$19.37
Galleria/Uptown	66	16,850,512	2,341,226	2,794,056	16.6%	289,886	104,579	0	\$36.56
Greenspoint/IAH	55	3,134,296	772,991	778,449	24.8%	30,455	0	0	\$19.60
Greenspoint/N Belt W.	118	10,859,825	5,097,610	5,135,548	47.3%	(380,220)	0	0	\$19.22
Greenway Plaza	276	13,061,117	1,992,269	2,050,917	15.7%	(203,673)	0	0	\$29.37
Gulf Freeway/Pasaden.	624	7,978,581	1,041,682	1,052,237	13.2%	(9,662)	107,876	18,827	\$20.51
I-10 East	129	1,304,448	148,137	148,137	11.4%	(3,956)	0	0	\$17.83
Katy Freeway East	263	11,765,154	1,134,388	1,268,358	10.8%	69,764	0	102,474	\$28.15
Katy Freeway West	259	28,354,734	4,974,054	6,699,095	23.6%	(45,298)	4,320	130,300	\$28.65
Katy/Grand Parkway W.	400	5,982,798	655,106	683,734	11.4%	184,596	110,145	13,300	\$28.24
Kingwood/Humble	219	3,445,118	313,879	314,197	9.1%	(70,549)	0	100,000	\$24.21
Liberty County	68	347,688	2,346	2,346	0.7%	11,412	0	0	\$0.00
Midtown	541	9,506,568	782,523	806,363	8.5%	99	0	0	\$29.77
NASA/Clear Lake	517	10,339,704	1,709,737	1,721,888	16.7%	77,456	0	94,539	\$21.10
North Loop West	340	6,118,174	950,303	979,932	16.0%	(52,019)	15,000	10,020	\$24.31
Northeast Near	145	2,254,880	134,088	134,088	5.9%	24,884	0	0	\$18.35
Northeast Outlier	85	890,021	60,307	60,307	6.8%	(8,457)	0	8,000	\$22.19
Northwest Far	130	4,422,961	899,350	899,350	20.3%	13,048	0	0	\$17.39
Northwest Near	53	1,435,866	123,956	123,956	8.6%	(22,203)	0	0	\$18.15
Northwest Outlier	231	1,710,969	225,516	235,549	13.8%	31,502	7,000	48,955	\$26.05
Outlying Chambers Co.	20	54,901	500	500	0.9%	(500)	0	0	\$0.00
Outlying Montgomery .	184	1,331,457	159,632	159,632	12.0%	28,913	5,000	29,052	\$22.74
Outlying Waller Coun.	21	112,391	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	43	4,724,145	1,195,918	1,273,401	27.0%	(43,458)	0	0	\$34.44
Richmond/Fountainvie.	115	2,157,383	190,204	190,204	8.8%	(27,393)	0	0	\$17.43
Riverway	24	3,090,476	530,814	545,912	17.7%	68,249	0	0	\$30.84
San Felipe/Voss	51	5,366,394	1,088,329	1,122,822	20.9%	(101,255)	0	0	\$29.12
San Jacinto County	3	39,139	0	0	0.0%	0	0	0	\$0.00
South	254	3,202,635	284,149	284,149	8.9%	48,676	50,000	0	\$24.45
South Hwy 35	149	799,583	29,832	29,832	3.7%	11,761	0	15,000	\$14.76
South Main/Medical C.	236	13,304,494	529,868	546,295	4.1%	(26,230)	0	0	\$27.05
Southeast Outlier	345	4,126,918	382,235	382,235	9.3%	35,883	20,070	15,000	\$20.14
Southwest Beltway 8	192	7,478,912	1,074,393	1,133,382	15.2%	(116,198)	0	0	\$17.77
Southwest Far	92	1,454,749	281,000	281,000	19.3%	1,953	0	0	\$23.04
Southwest Outlier	205	1,739,226	228,103	230,663	13.3%	7,029	2,645	1,200	\$23.93
Southwest/Hillcroft	107	5,345,487	959,773	988,936	18.5%	2,599	0	0	\$16.42
The Woodlands	615	21,330,442	1,816,166	1,947,597	9.1%	228,105	37,900	926,800	\$29.08
West Belt	106	6,870,693	1,166,396	1,700,065	24.7%	(365,304)	6,000	11,500	\$25.99
Westchase	137	18,693,842	2,844,463	3,563,560	19.1%	(213,502)	0	0	\$24.95
Totals	9,265	326,424,477	48,050,304	53,957,204	16.5%	(1,146,067)	666,521	2,659,246	\$27.60

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class A Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	39	34,890,251	5,128,694	6,522,942	18.7%	(213,252)	0	778,344	\$41.31
Suburban	473	111,241,275	19,578,984	23,382,622	21.0%	192,927	226,624	1,323,965	\$30.04
Totals	512	146,131,526	24,707,678	29,905,564	20.5%	(20,325)	226,624	2,102,309	\$32.74

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	62	13,955,488	3,038,877	3,116,269	22.3%	(169,370)	0	0	\$28.05
Suburban	3,884	122,747,953	17,074,648	17,678,998	14.4%	(897,432)	439,897	556,937	\$21.39
Totals	3,946	136,703,441	20,113,525	20,795,267	15.2%	(1,066,802)	439,897	556,937	\$21.95

Source: CoStar Property®

Class C Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	59	1,717,892	106,951	106,951	6.2%	6,647	0	0	\$20.26
Suburban	4,748	41,871,618	3,122,150	3,149,422	7.5%	(65,587)	0	0	\$17.58
Totals	4,807	43,589,510	3,229,101	3,256,373	7.5%	(58,940)	0	0	\$17.67

Source: CoStar Property®

Class A & B Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	101	48,845,739	8,167,571	9,639,211	19.7%	(382,622)	0	778,344	\$38.69
Suburban	4,357	233,989,228	36,653,632	41,061,620	17.5%	(704,505)	666,521	1,880,902	\$26.06
Totals	4,458	282,834,967	44,821,203	50,700,831	17.9%	(1,087,127)	666,521	2,659,246	\$28.27

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	160	50,563,631	8,274,522	9,746,162	19.3%	(375,975)	0	778,344	\$38.46
Suburban	9,105	275,860,846	39,775,782	44,211,042	16.0%	(770,092)	666,521	1,880,902	\$25.44
Totals	9,265	326,424,477	48,050,304	53,957,204	16.5%	(1,146,067)	666,521	2,659,246	\$27.60

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class A Market Statistics

Mid-Year 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 2q	512	146,131,526	24,707,678	29,905,564	20.5%	905,412	1	50,000	11	2,102,309	\$32.74
2018 1q	511	146,081,526	24,553,379	30,760,976	21.1%	(925,737)	2	176,624	9	1,795,195	\$33.33
2017 4q	509	145,904,902	24,388,098	29,658,615	20.3%	625,803	4	794,759	10	1,869,345	\$33.25
2017 3q	506	145,347,527	24,411,700	29,727,043	20.5%	(688,660)	1	86,523	13	2,635,379	\$33.35
2017 2q	503	145,211,004	24,225,068	28,901,860	19.9%	(860,417)	1	171,996	14	2,393,902	\$33.48
2017 1q	502	145,255,414	23,643,000	28,085,853	19.3%	(602,710)	3	1,674,831	12	1,611,735	\$33.21
2016	499	143,580,583	21,553,102	25,808,312	18.0%	315,653	16	5,090,824	13	2,909,766	\$33.31
2015	481	138,172,383	16,966,487	20,715,765	15.0%	4,067,859	44	10,591,879	24	7,461,677	\$34.20
2014	432	126,501,874	11,792,231	13,113,115	10.4%	6,999,303	35	7,546,565	58	16,524,526	\$34.68
2013	394	118,491,760	10,639,768	12,102,304	10.2%	4,000,800	17	3,141,515	50	12,503,492	\$32.07
2012	375	114,737,176	11,655,855	12,348,520	10.8%	3,376,665	5	1,351,125	38	10,250,467	\$31.18
2011	369	113,265,840	13,479,031	14,253,849	12.6%	2,499,631	4	2,075,237	8	2,401,796	\$29.85
2010	365	111,501,490	14,350,249	14,989,130	13.4%	1,024,834	2	218,293	7	3,111,449	\$28.96
2009	362	111,260,491	14,723,529	15,772,965	14.2%	2,066,842	20	4,185,843	7	2,987,848	\$29.77
2008	336	105,907,990	11,577,065	12,487,306	11.8%	3,273,974	18	3,602,861	31	8,236,667	\$29.06
2007	307	100,313,756	9,327,973	10,167,046	10.1%	4,388,916	12	2,052,295	35	8,619,705	\$27.14

Source: CoStar Property®

Class B Market Statistics

Mid-Year 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 2q	3,946	136,703,441	20,113,525	20,795,267	15.2%	(691,162)	18	240,599	39	556,937	\$21.95
2018 1q	3,930	136,544,442	19,385,556	19,945,106	14.6%	(375,640)	20	199,298	49	724,136	\$21.63
2017 4q	3,908	136,330,597	18,738,764	19,359,568	14.2%	250,602	15	275,711	56	665,197	\$21.76
2017 3q	3,891	136,270,262	18,925,660	19,549,835	14.3%	(137,378)	14	192,293	55	842,769	\$21.51
2017 2q	3,875	136,070,469	18,581,521	19,212,664	14.1%	293,220	19	193,910	63	942,954	\$21.55
2017 1q	3,848	135,825,085	18,639,971	19,260,500	14.2%	(576,228)	21	279,796	72	1,089,130	\$21.43
2016	3,827	135,545,289	17,547,369	18,404,476	13.6%	(225,861)	65	655,084	66	1,001,863	\$21.43
2015	3,742	135,520,174	17,222,838	18,153,500	13.4%	(225,340)	79	1,657,799	73	789,282	\$21.48
2014	3,638	133,703,891	15,579,843	16,111,877	12.1%	1,950,079	91	1,271,392	86	1,837,278	\$21.06
2013	3,523	133,088,572	17,100,769	17,446,637	13.1%	1,138,872	46	730,301	102	1,396,978	\$20.23
2012	3,461	132,126,217	17,134,557	17,623,154	13.3%	2,015,260	40	690,762	51	1,103,027	\$19.52
2011	3,401	131,532,792	18,630,979	19,044,989	14.5%	846,483	43	650,574	51	951,134	\$18.98
2010	3,338	130,641,572	18,430,539	19,000,252	14.5%	351,038	47	471,877	48	810,107	\$18.79
2009	3,268	129,754,818	17,617,953	18,464,536	14.2%	271,223	82	1,833,951	63	859,087	\$19.20
2008	3,158	127,369,683	15,620,284	16,350,624	12.8%	1,162,142	131	2,257,034	95	2,146,097	\$19.72
2007	2,963	124,455,328	14,061,333	14,598,411	11.7%	2,334,821	92	1,351,102	172	3,491,041	\$19.13

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 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 2q	9,265	326,424,477	48,050,304	53,957,204	16.5%	202,720	19	290,599	50	2,659,246	\$27.60
2018 1q	9,251	326,290,586	47,216,853	54,026,033	16.6%	(1,348,787)	22	375,922	58	2,519,331	\$27.73
2017 4q	9,226	325,890,325	46,374,550	52,290,724	16.0%	796,618	19	1,070,470	66	2,534,542	\$27.63
2017 3q	9,206	325,272,615	46,498,210	52,469,632	16.1%	(938,392)	15	278,816	68	3,478,148	\$27.43
2017 2q	9,188	324,961,499	45,774,977	51,220,124	15.8%	(613,408)	20	365,906	77	3,336,856	\$27.54
2017 1q	9,162	324,876,481	45,283,792	50,521,698	15.6%	(1,350,575)	24	1,954,627	84	2,700,865	\$27.41
2016	9,141	322,959,440	41,975,409	47,254,082	14.6%	59,809	81	5,745,908	79	3,911,629	\$27.32
2015	9,046	317,843,934	37,497,391	42,198,385	13.3%	3,956,783	124	12,251,194	97	8,250,959	\$27.88
2014	8,900	304,700,450	31,140,910	33,011,684	10.8%	9,458,291	128	8,846,520	146	18,364,580	\$27.36
2013	8,758	296,389,652	32,189,864	34,159,177	11.5%	4,640,921	63	3,871,816	154	13,929,033	\$25.47
2012	8,683	291,926,941	33,126,196	34,337,387	11.8%	5,081,622	47	2,046,812	89	11,353,494	\$24.42
2011	8,611	289,851,920	36,097,566	37,343,988	12.9%	2,949,913	49	2,735,900	66	3,388,680	\$22.99
2010	8,540	287,500,711	36,709,565	37,942,692	13.2%	1,538,335	52	695,708	62	3,956,676	\$22.83
2009	8,460	286,327,949	36,404,404	38,308,265	13.4%	2,507,752	107	6,038,512	76	3,880,853	\$23.69
2008	8,311	278,545,742	31,369,530	33,033,810	11.9%	4,309,551	167	5,953,935	136	10,417,817	\$23.84
2007	8,058	269,988,195	27,363,977	28,785,814	10.7%	6,830,482	119	3,522,907	234	12,264,914	\$22.43

Source: CoStar Property®

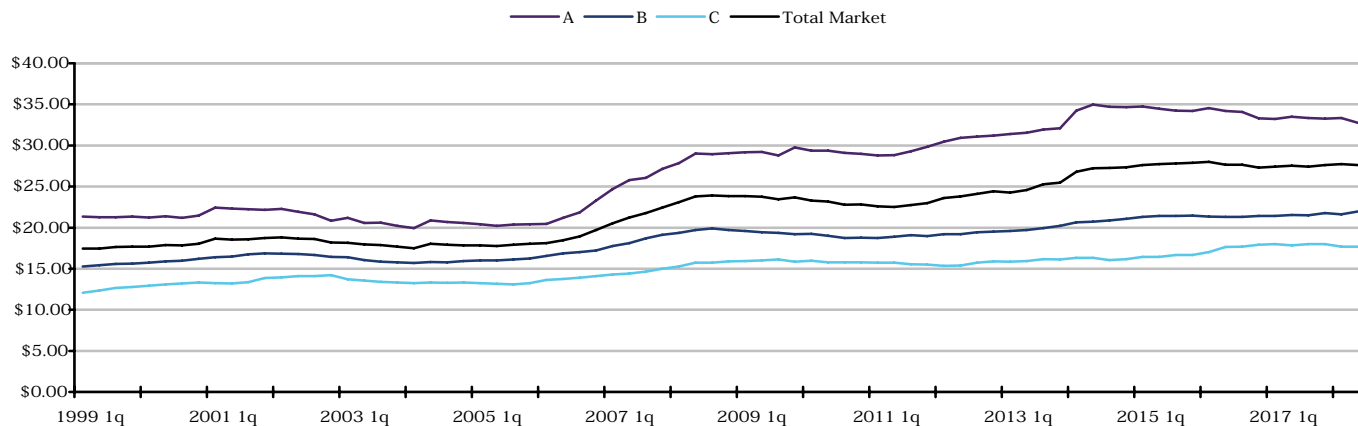
Houston Office Market



Leasing Activity

Historical Rental Rates

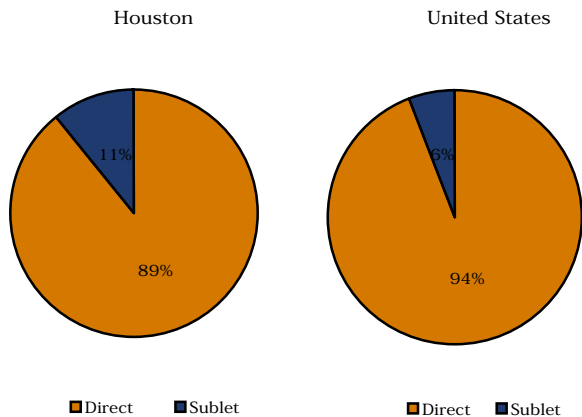
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

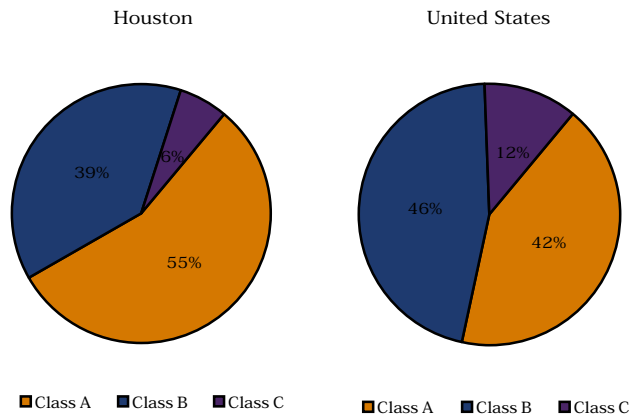
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Class

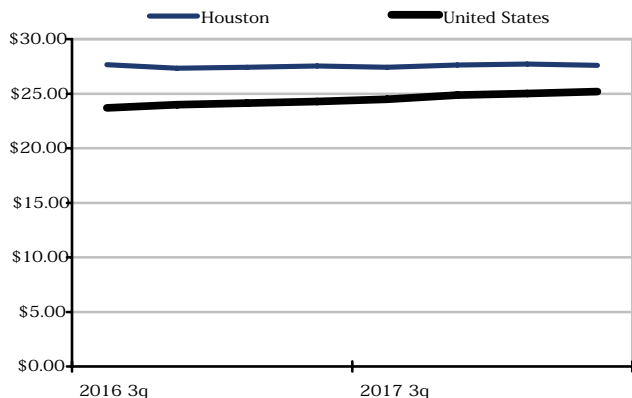
Percent of All Vacant Space by Class



Source: CoStar Property®

U.S. Rental Rate Comparison

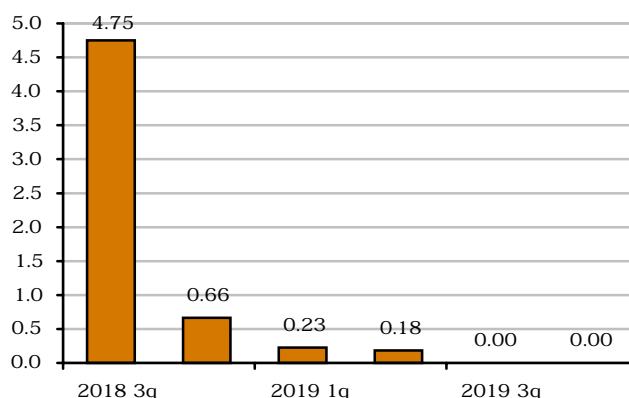
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®

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	390,717	1st	Apache Corporation	Cushman & Wakefield	Parkway Realty Management LLC
2 Williams Tower*	Galleria/Uptown	298,955	1st	Transco	JLL	CBRE
3 Three Post Oak Central*	Galleria/Uptown	145,907	1st	Apache Corporation	Cushman & Wakefield	Parkway Realty Management LLC
4 500 Jefferson St	CBD	118,896	2nd	Harris County Veterans Service Office	N/A	Greenmark Realty
5 Remington Square - Bldg III	West Belt	82,941	2nd	Acclara Solutions	Cushman & Wakefield	Stream Realty Partners, LP
6 Energy Crossing I*	Katy Freeway West	80,000	1st	Alta Mesa Holdings, LP	Cypressbrook Company	N/A
7 2600 N Loop Fwy W*	North Loop West	54,891	1st	PFS Group	NAI Partners	N/A
8 Energy Tower IV	Katy Freeway West	52,834	2nd	Kiewit Engineering Group	JLL	CBRE
9 1430 Enclave*	Katy Freeway West	51,153	2nd	Schlumberger	N/A	Colvill Office Properties
10 5444 Westheimer Rd	Galleria/Uptown	47,958	1st	Fiesta Mart	N/A	CBRE
11 Air Liquide Center- South	Katy Freeway East	46,720	1st	Fairfield Nodal	NAI Partners	CBRE
12 Texas Medical Center	South Main/Medical Center	43,601	1st	United General Hospital	Greenberg & Company	NAI Partners
13 Capital One Plaza	San Felipe/Voss	42,999	1st	KHOU	N/A	CBRE
14 Energy Crossing II	Katy Freeway West	41,880	2nd	N/A	N/A	CBRE
15 Cardinal Health	Katy Freeway West	36,361	1st	N/A	N/A	Transwestern
16 Central Square	Midtown	34,675	1st	IQOR	N/A	Transwestern
17 BBVA Compass Plaza	Galleria/Uptown	32,872	1st	N/A	N/A	Stream Realty Partners, LP
18 609 Main at Texas	CBD	31,045	2nd	Simmons & Company International Energy	Cushman & Wakefield	Colvill Office Properties
19 First City Tower*	CBD	27,641	1st	Liskow & Lewis	CBRE	Colvill Office Properties
20 BG Group Place	CBD	27,459	1st	Gibson Dunn	N/A	Cushman & Wakefield
21 Three Hughes Landing	The Woodlands	27,390	1st	N/A	N/A	Colliers International
22 Katy Ranch Phase I	Katy/Grand Parkway West	26,445	2nd	N/A	N/A	Avison Young
23 Wells Fargo Plaza	CBD	25,580	2nd	N/A	N/A	CBRE
24 Wells Fargo Plaza	CBD	25,580	1st	Poisinelli	N/A	CBRE
25 Four West Lake Park	Katy Freeway West	24,844	2nd	High Radius Corporation	Jackson Cooksey	JLL
26 BG Group Place	CBD	24,494	1st	Yetter Coleman LLP	CBRE	Transwestern
27 Pinnacle Westchase	Westchase	24,235	1st	Family Endeavors	Lee & Associates	Savills Studley
28 Brookhollow Central III	North Loop West	24,157	1st	Idera	N/A	JLL
29 920 Memorial City Way*	Katy Freeway East	23,652	1st	Cardno	N/A	Metro National Corporation
30 920 Memorial City Way*	Katy Freeway East	23,652	1st	Renaissance Offshore	N/A	Metro National Corporation
31 16001 Park Ten Place Dr	Katy Freeway West	23,311	2nd	BCFS	N/A	Stream Realty Partners, LP
32 Three Greenway Plaza	Greenway Plaza	23,049	1st	Foster LLP	Newmark Knight Frank	Parkway Realty Management LLC
33 1100 Louisiana (Enterprise Plaza)	CBD	22,986	1st	Shearman & Sterling LLP	N/A	CBRE
34 2929 Briarpark Dr	Westchase	22,867	1st	Taylor Morrison/Darling Homes	N/A	CBRE
35 Two Riverway	Riverway	22,456	1st	Comerica Bank	N/A	Stream Realty Partners, LP
36 BG Group Place	CBD	21,158	1st	Gilbaine	N/A	Cushman & Wakefield
37 Grandway West - Bldg 1*	Katy/Grand Parkway West	19,911	2nd	LJA Engineering	N/A	N/A
38 500 Jefferson St	CBD	19,816	1st	Lone Star Legal Aid	Direct Deal	Greenmark Realty
39 Thirty Forty Post Oak	Galleria/Uptown	19,317	2nd	Stream Realty Partners	N/A	Stream Realty Partners, LP
40 1001 McKinney	CBD	17,750	2nd	Zarvona	N/A	Stream Realty Partners, LP

Source: CoStar Property®

* Renewal

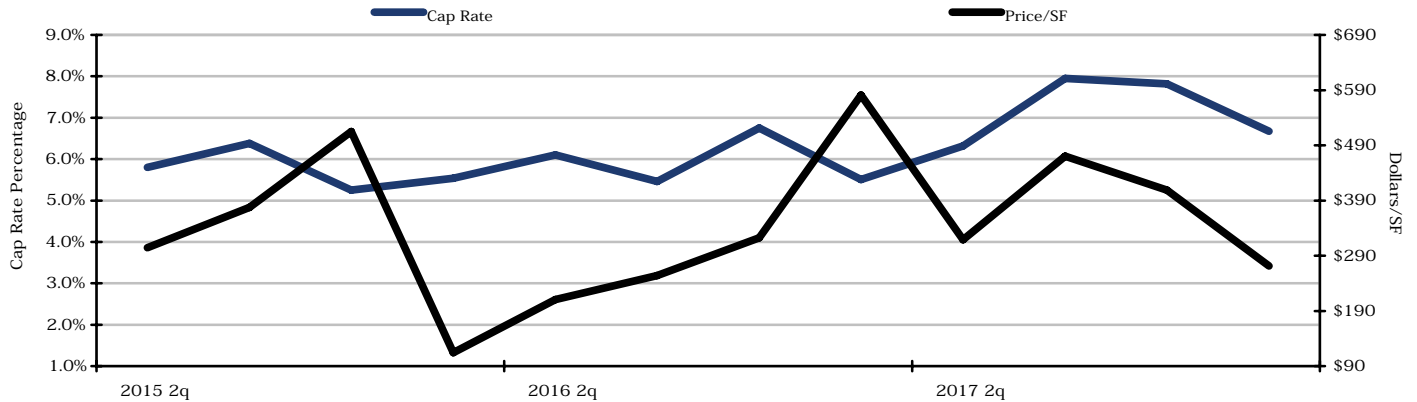
Houston Office Market



Sales Activity

The Optimist Sales Index

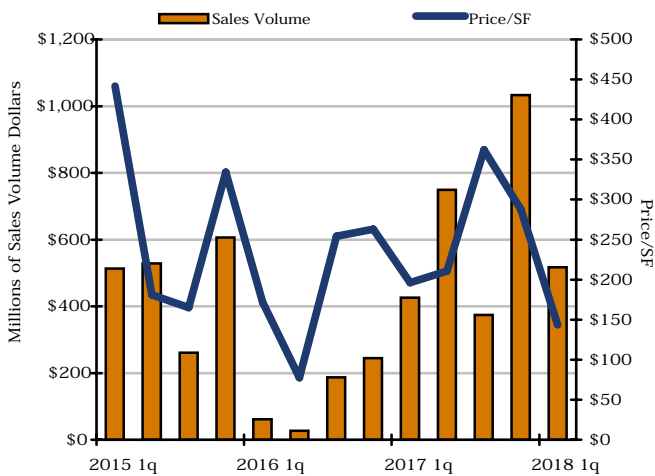
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



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

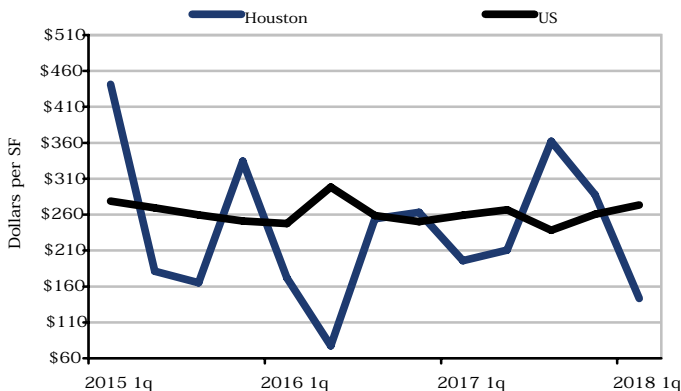
Based on Office Building Sales From April 2017 - March 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	41	541,284	\$93,494,055	\$ 172.73	7.03%
50K-249K SF	15	1,924,065	\$251,138,460	\$ 130.52	8.38%
250K-499K SF	5	1,568,636	\$477,000,000	\$ 304.09	5.80%
>500K SF	7	7,976,707	\$1,905,500,000	\$ 238.88	7.55%

Source: CoStar COMPS®

U.S. Price/SF Comparison

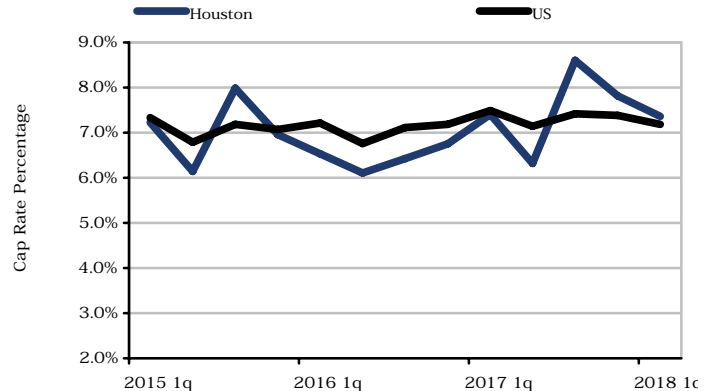
Based on Office Building Sales of 15,000 SF and Larger



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 April 2017 Through June 2018

1. Merger of Parkway Inc./CPPIB



Houston

Price: **\$687,900,000**
 Price/SF: **\$361.19**
 Cap Rate: **N/A**
 RBA: **1,904,521**
 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. Energy Center IV



Houston

Price: **\$275,600,000**
 Price/SF: **\$461.16**
 Cap Rate: **N/A**
 RBA: **597,629**
 Date: **8/25/2017**
 Year Built: **2015**
 Buyer: **ConocoPhillips**
 Seller: **Trammell Crow Company**

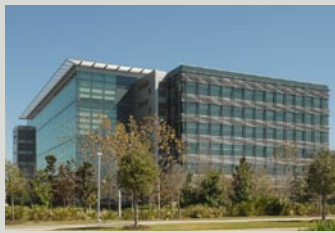
4. Marathon Oil Tower



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. The Offices at Pin Oak Park



Bellaire

Price: **\$110,000,000**
 Price/SF: **\$217.94**
 Cap Rate: **7.75%**
 RBA: **504,721**
 Date: **1/19/2018**
 Year Built: **1979**
 Buyer: **Norvin Healthcare Properties**
 Seller: **Griffin Partners, Inc.**

8. Loop Central



Houston

Price: **\$72,900,000**
 Price/SF: **\$126.79**
 Cap Rate: **7.5%**
 RBA: **574,944**
 Date: **3/27/2018**
 Year Built: **1980**
 Buyer: **Griffin Partners, Inc.**
 Seller: **TIER REIT, Inc.**

9. 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**

Houston Office Market

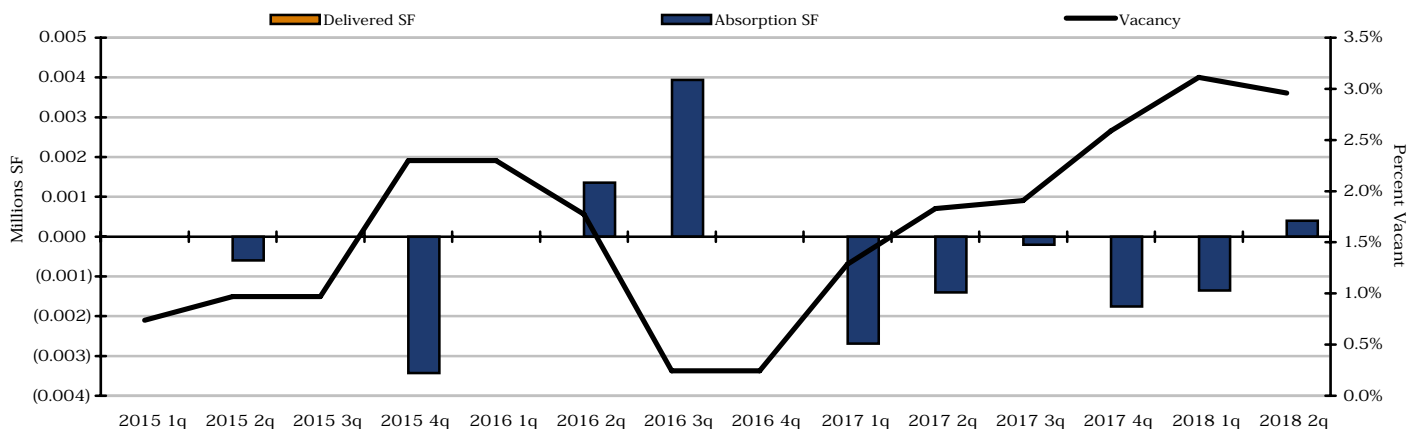


Austin County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

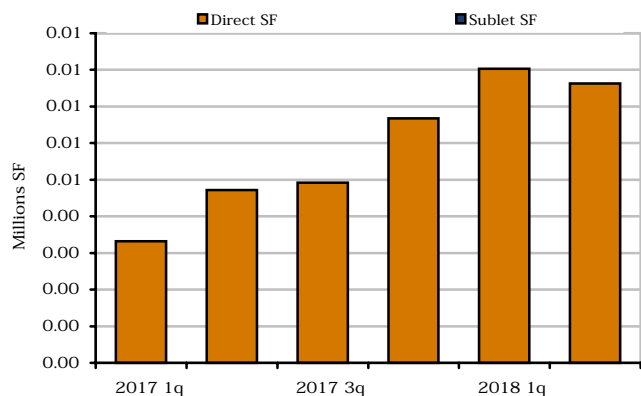
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

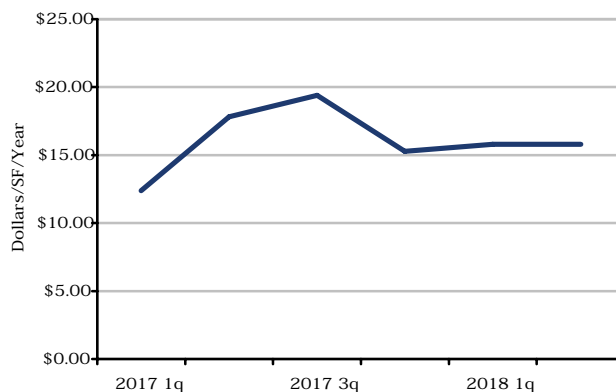
Historical Analysis, All Classes



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 2q	41	257,911	7,630	3.0%	398	0	0	0	0	\$15.81
2018 1q	41	257,911	8,028	3.1%	(1,350)	0	0	0	0	\$15.81
2017 4q	41	257,911	6,678	2.6%	(1,760)	0	0	0	0	\$15.27
2017 3q	41	257,911	4,918	1.9%	(200)	0	0	0	0	\$19.39
2017 2q	41	257,911	4,718	1.8%	(1,400)	0	0	0	0	\$17.83
2017 1q	41	257,911	3,318	1.3%	(2,688)	0	0	0	0	\$12.38
2016 4q	41	257,911	630	0.2%	0	0	0	0	0	\$0.00
2016 3q	41	257,911	630	0.2%	3,940	0	0	0	0	\$18.10
2016 2q	41	257,911	4,570	1.8%	1,360	0	0	0	0	\$18.10
2016 1q	41	257,911	5,930	2.3%	0	0	0	0	0	\$18.10
2015 4q	41	257,911	5,930	2.3%	(3,430)	0	0	0	0	\$0.00
2015 3q	41	257,911	2,500	1.0%	0	0	0	0	0	\$0.00
2015 2q	41	257,911	2,500	1.0%	(600)	0	0	0	0	\$0.00
2015 1q	41	257,911	1,900	0.7%	0	0	0	0	0	\$0.00
2014 4q	41	257,911	1,900	0.7%	0	0	0	0	0	\$0.00
2014 3q	41	257,911	1,900	0.7%	0	0	0	0	0	\$0.00

Source: CoStar Property®

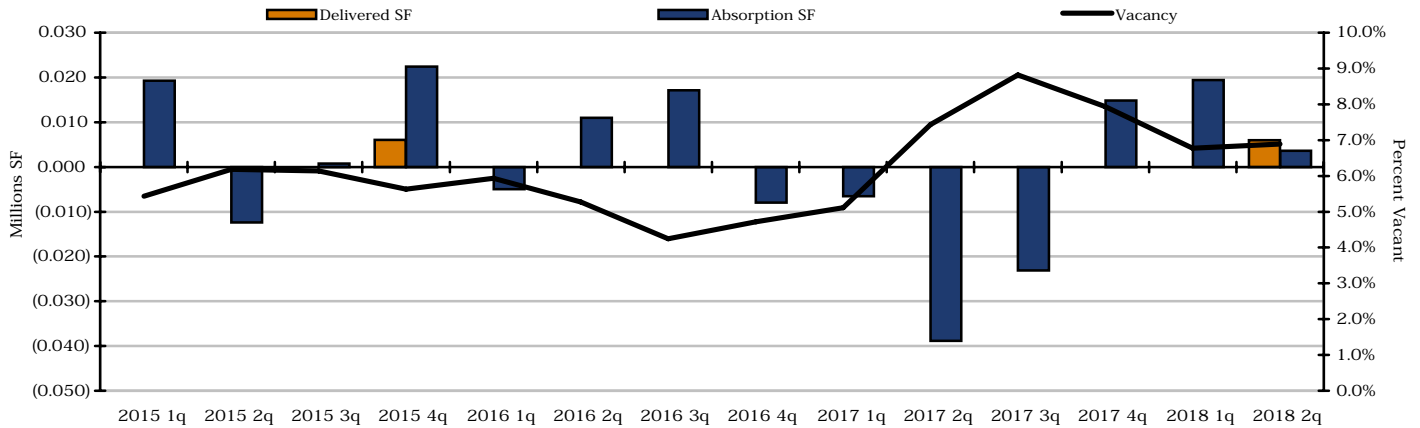


Houston Office Market

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

Deliveries, Absorption & Vacancy

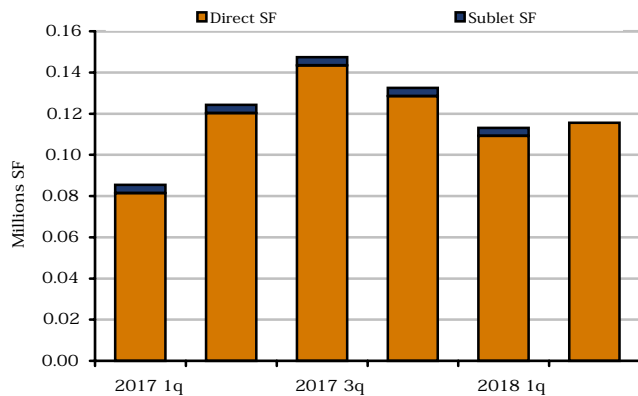
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

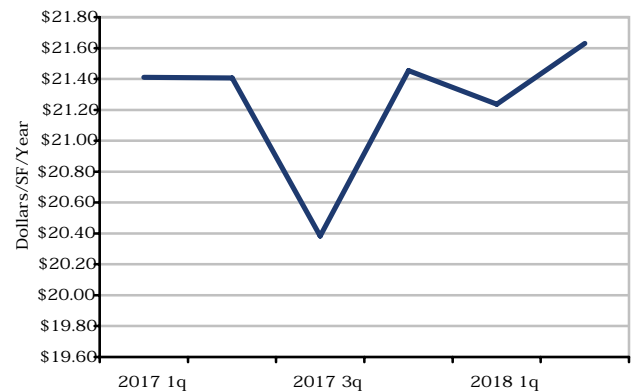
Historical Analysis, All Classes



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 2q	138	1,675,974	115,511	6.9%	3,630	1	6,003	0	0	\$21.63
2018 1q	137	1,669,971	113,138	6.8%	19,401	0	0	1	6,003	\$21.24
2017 4q	137	1,669,971	132,539	7.9%	14,823	0	0	1	6,003	\$21.45
2017 3q	137	1,669,971	147,362	8.8%	(23,124)	0	0	1	6,003	\$20.38
2017 2q	137	1,669,971	124,238	7.4%	(38,832)	0	0	1	6,003	\$21.41
2017 1q	137	1,669,971	85,406	5.1%	(6,543)	0	0	0	0	\$21.41
2016 4q	137	1,669,971	78,863	4.7%	(7,946)	0	0	0	0	\$23.00
2016 3q	137	1,669,971	70,917	4.2%	17,152	0	0	0	0	\$19.41
2016 2q	137	1,669,971	88,069	5.3%	10,958	0	0	0	0	\$17.93
2016 1q	137	1,669,971	99,027	5.9%	(4,992)	0	0	0	0	\$18.67
2015 4q	137	1,669,971	94,035	5.6%	22,454	1	6,020	0	0	\$17.89
2015 3q	135	1,655,021	101,539	6.1%	756	0	0	2	14,950	\$18.39
2015 2q	135	1,655,021	102,295	6.2%	(12,409)	0	0	1	8,930	\$17.97
2015 1q	135	1,655,021	89,886	5.4%	19,278	0	0	1	8,930	\$17.55
2014 4q	135	1,655,021	109,164	6.6%	100	0	0	0	0	\$16.56
2014 3q	135	1,655,021	109,264	6.6%	(6,736)	0	0	0	0	\$16.45

Source: CoStar Property®

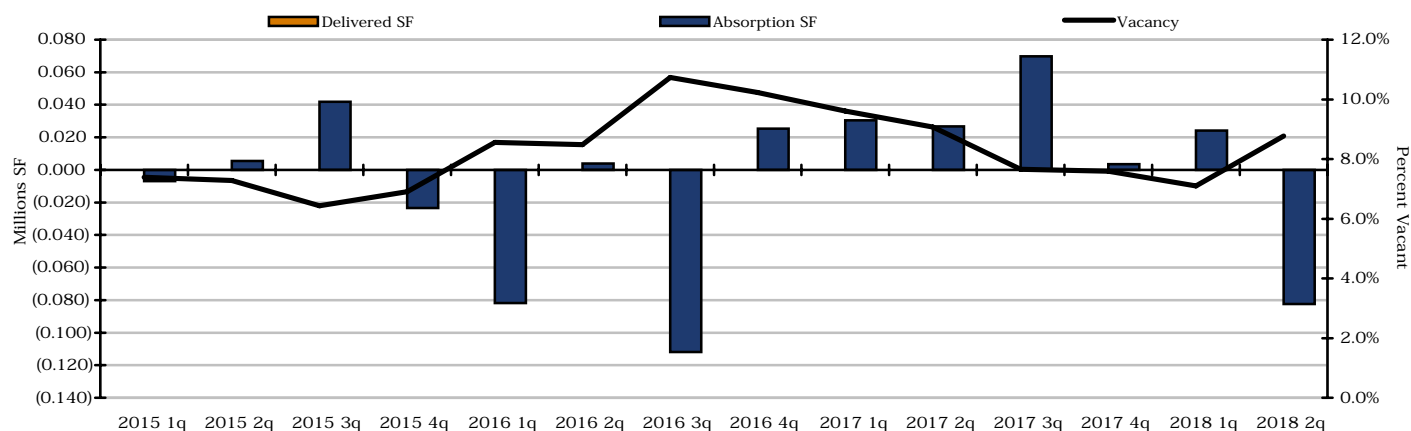
Houston Office Market



Bellaire Market Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

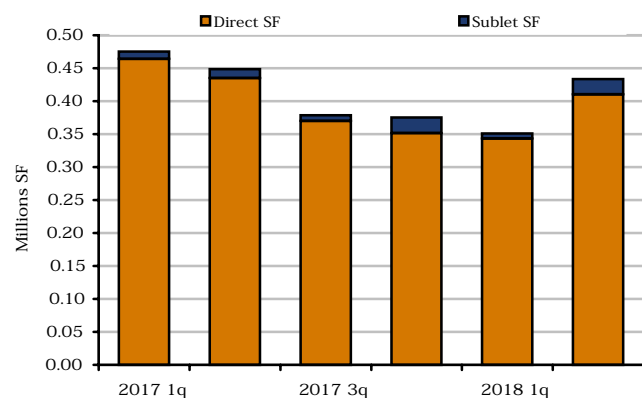
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

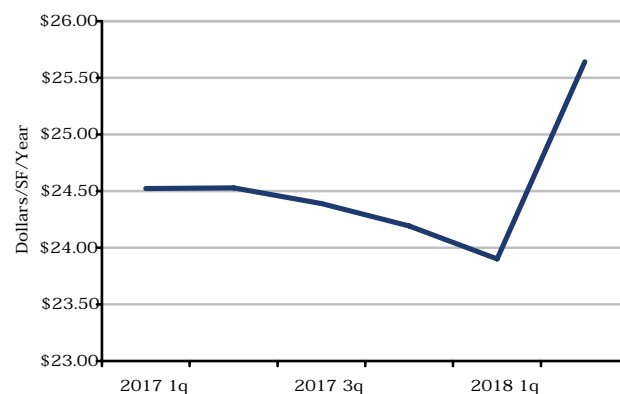
Historical Analysis, All Classes



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 2q	88	4,945,748	433,627	8.8%	(82,445)	0	0	1	5,000	\$25.64
2018 1q	88	4,945,748	351,182	7.1%	24,103	0	0	1	5,000	\$23.90
2017 4q	88	4,945,748	375,285	7.6%	3,501	0	0	1	5,000	\$24.19
2017 3q	88	4,945,748	378,786	7.7%	69,739	0	0	0	0	\$24.39
2017 2q	88	4,945,748	448,525	9.1%	26,799	0	0	0	0	\$24.53
2017 1q	88	4,945,748	475,324	9.6%	30,484	0	0	0	0	\$24.52
2016 4q	88	4,945,748	505,808	10.2%	25,280	0	0	0	0	\$24.36
2016 3q	88	4,945,748	531,088	10.7%	(111,795)	0	0	0	0	\$24.54
2016 2q	88	4,945,748	419,293	8.5%	3,972	0	0	0	0	\$24.36
2016 1q	88	4,945,748	423,265	8.6%	(81,728)	0	0	0	0	\$24.18
2015 4q	88	4,945,748	341,537	6.9%	(23,399)	0	0	0	0	\$24.16
2015 3q	88	4,945,748	318,138	6.4%	41,957	0	0	0	0	\$25.19
2015 2q	88	4,945,748	360,095	7.3%	5,412	0	0	0	0	\$25.02
2015 1q	88	4,945,748	365,507	7.4%	(6,975)	0	0	0	0	\$24.73
2014 4q	88	4,945,748	358,532	7.2%	11,144	0	0	0	0	\$25.07
2014 3q	88	4,945,748	369,676	7.5%	(2,003)	0	0	0	0	\$24.09

Source: CoStar Property®



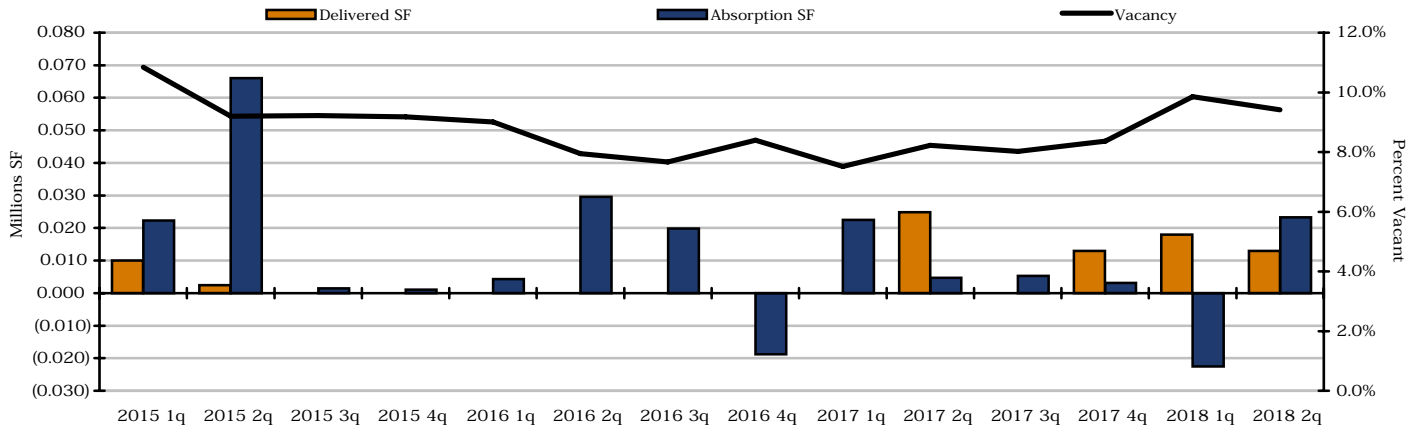
Houston Office Market

Conroe Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

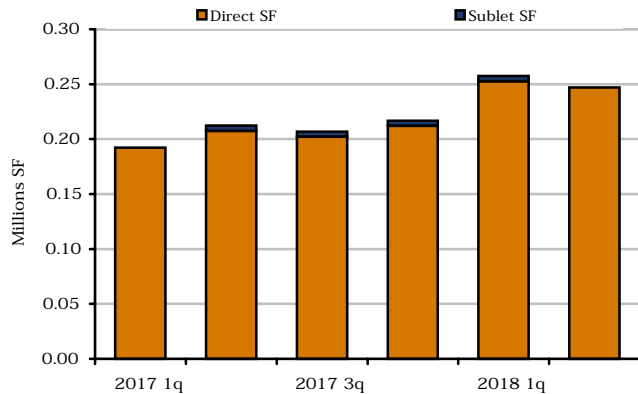
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

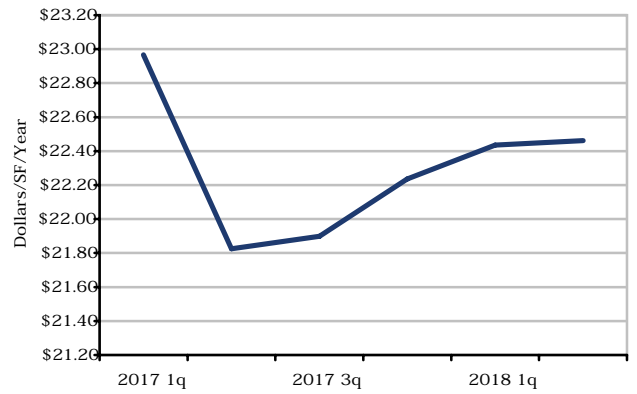
Historical Analysis, All Classes



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 2q	258	2,622,939	247,065	9.4%	23,268	1	13,000	0	0	\$22.46
2018 1q	257	2,609,939	257,333	9.9%	(22,522)	1	18,000	1	13,000	\$22.44
2017 4q	256	2,591,939	216,811	8.4%	3,079	1	13,000	2	31,000	\$22.24
2017 3q	255	2,578,939	206,890	8.0%	5,328	0	0	3	44,000	\$21.90
2017 2q	255	2,578,939	212,218	8.2%	4,686	3	24,813	2	31,000	\$21.82
2017 1q	252	2,554,126	192,091	7.5%	22,504	0	0	4	37,813	\$22.97
2016 4q	252	2,554,126	214,595	8.4%	(18,841)	0	0	4	37,813	\$22.79
2016 3q	252	2,554,126	195,754	7.7%	19,797	0	0	2	22,157	\$22.97
2016 2q	250	2,540,381	201,806	7.9%	29,570	0	0	3	23,600	\$22.15
2016 1q	249	2,537,681	228,676	9.0%	4,348	0	0	3	16,445	\$22.76
2015 4q	249	2,537,681	233,024	9.2%	1,083	0	0	3	16,445	\$23.06
2015 3q	249	2,537,681	234,107	9.2%	1,439	0	0	1	2,700	\$22.26
2015 2q	248	2,535,331	233,196	9.2%	66,008	1	2,445	1	2,350	\$21.37
2015 1q	246	2,507,973	271,846	10.8%	22,292	1	10,000	3	29,708	\$22.38
2014 4q	245	2,497,973	284,138	11.4%	(6,123)	0	0	4	39,708	\$22.65
2014 3q	245	2,497,973	278,015	11.1%	1,374	0	0	3	37,358	\$23.01

Source: CoStar Property®

Houston Office Market

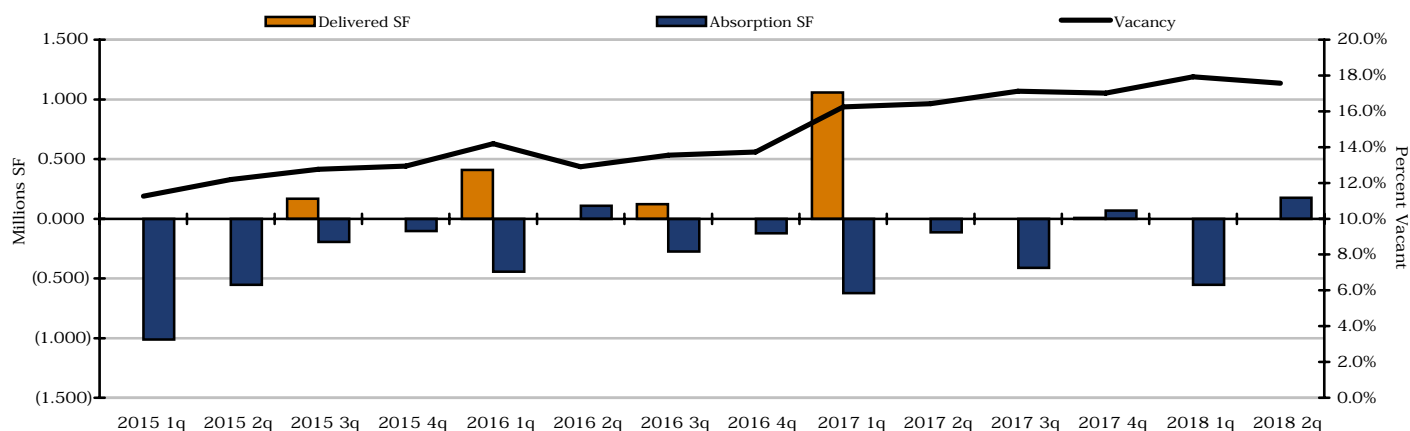


Downtown Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

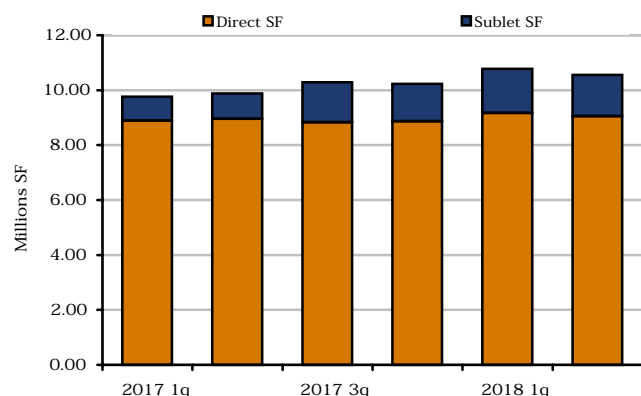
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

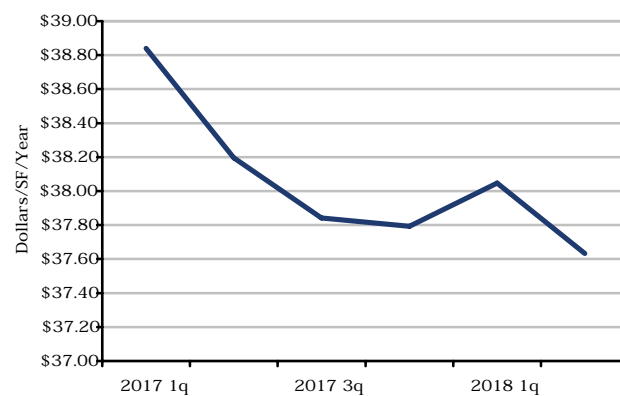
Historical Analysis, All Classes



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 2q	701	60,070,199	10,552,525	17.6%	176,815	0	0	1	778,344	\$37.63
2018 1q	702	60,122,133	10,781,274	17.9%	(552,691)	0	0	1	778,344	\$38.05
2017 4q	702	60,122,133	10,228,583	17.0%	67,468	1	6,300	1	778,344	\$37.79
2017 3q	701	60,115,833	10,289,751	17.1%	(411,837)	0	0	2	784,644	\$37.84
2017 2q	701	60,115,833	9,877,914	16.4%	(115,087)	0	0	2	784,644	\$38.20
2017 1q	701	60,115,833	9,762,827	16.2%	(622,914)	1	1,056,658	0	0	\$38.84
2016 4q	702	59,086,761	8,110,841	13.7%	(121,402)	0	0	1	1,056,658	\$38.30
2016 3q	703	59,102,382	8,005,060	13.5%	(275,594)	2	120,800	1	1,056,658	\$39.71
2016 2q	702	58,989,651	7,616,735	12.9%	107,609	0	0	3	1,177,458	\$38.89
2016 1q	704	59,739,651	8,474,344	14.2%	(444,813)	2	410,085	3	1,177,458	\$39.26
2015 4q	704	59,391,516	7,681,396	12.9%	(103,174)	0	0	4	1,581,743	\$38.98
2015 3q	704	59,391,516	7,578,222	12.8%	(193,441)	1	167,562	4	1,581,743	\$38.43
2015 2q	703	59,223,954	7,217,219	12.2%	(552,753)	0	0	5	1,749,305	\$38.14
2015 1q	703	59,223,954	6,664,466	11.3%	(1,010,775)	0	0	4	1,745,820	\$37.92
2014 4q	703	59,223,954	5,653,691	9.5%	189,335	1	1,930	4	1,745,820	\$38.67
2014 3q	704	59,571,961	6,191,033	10.4%	(219,762)	1	7,500	4	1,632,750	\$38.84

Source: CoStar Property®



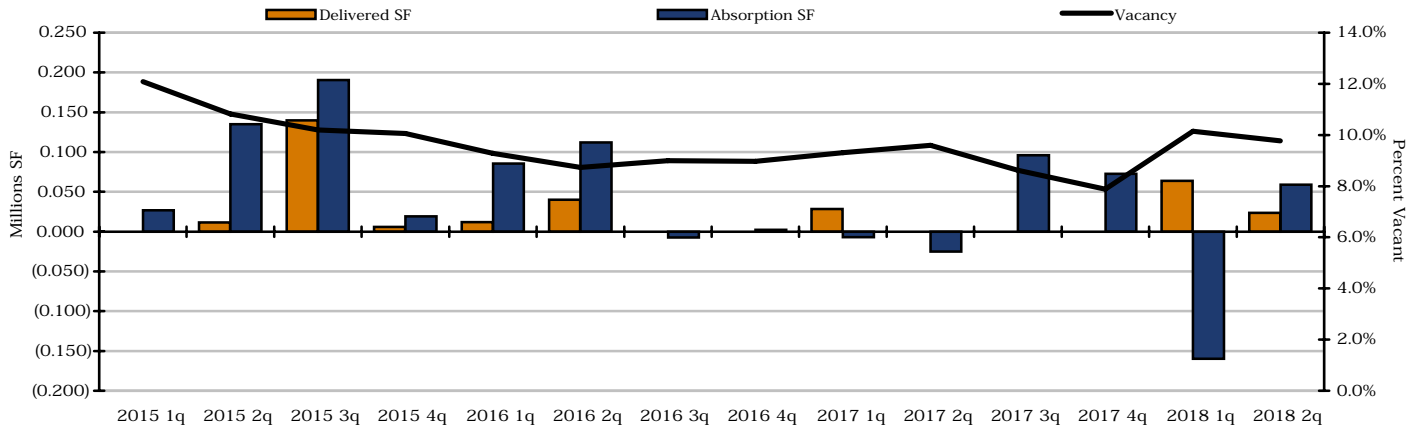
Houston Office Market

E Fort Bend Co / Sugar Land Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

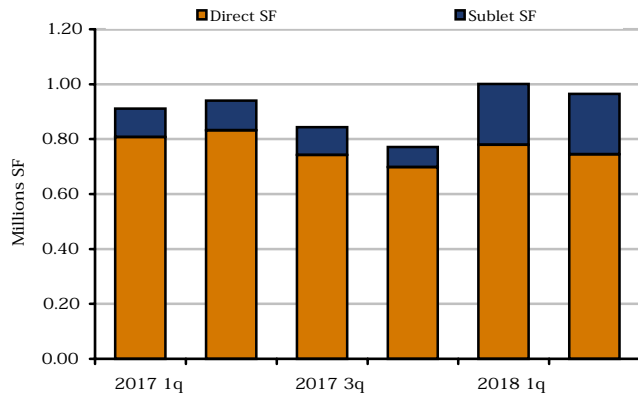
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

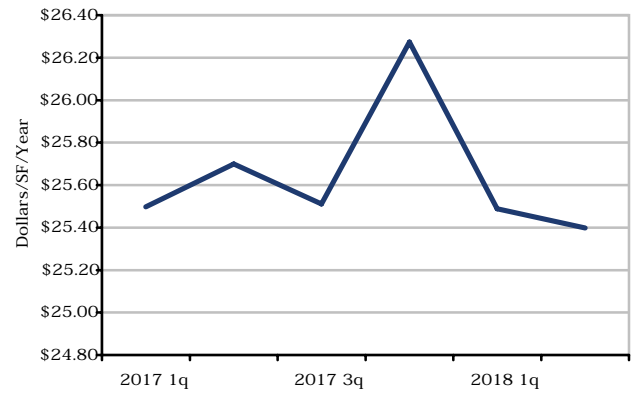
Historical Analysis, All Classes



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 2q	395	9,879,199	964,859	9.8%	58,978	1	23,520	3	90,251	\$25.40
2018 1q	394	9,855,679	1,000,317	10.1%	(159,590)	6	63,625	4	113,771	\$25.49
2017 4q	388	9,792,054	771,302	7.9%	72,714	0	0	9	156,596	\$26.27
2017 3q	388	9,792,054	844,016	8.6%	95,882	0	0	6	141,596	\$25.51
2017 2q	388	9,792,054	939,898	9.6%	(25,135)	0	0	6	141,596	\$25.70
2017 1q	387	9,788,314	911,023	9.3%	(7,124)	2	28,249	4	55,660	\$25.50
2016 4q	385	9,760,065	875,650	9.0%	2,141	0	0	5	60,389	\$25.12
2016 3q	385	9,760,065	877,791	9.0%	(7,260)	0	0	5	60,389	\$25.18
2016 2q	383	9,740,045	850,511	8.7%	112,245	1	40,000	4	48,420	\$24.96
2016 1q	380	9,675,353	898,064	9.3%	85,540	3	11,994	7	113,112	\$24.62
2015 4q	377	9,663,359	971,610	10.1%	19,083	1	5,824	9	105,214	\$24.70
2015 3q	376	9,657,535	984,869	10.2%	190,561	3	139,783	8	91,018	\$24.38
2015 2q	372	9,511,752	1,029,647	10.8%	134,969	2	11,648	9	172,001	\$23.90
2015 1q	369	9,494,280	1,147,144	12.1%	26,739	0	0	8	169,079	\$24.28
2014 4q	369	9,494,280	1,173,883	12.4%	70,028	0	0	7	163,255	\$24.49
2014 3q	367	9,432,614	1,182,245	12.5%	15,656	1	4,795	3	65,249	\$24.34

Source: CoStar Property®

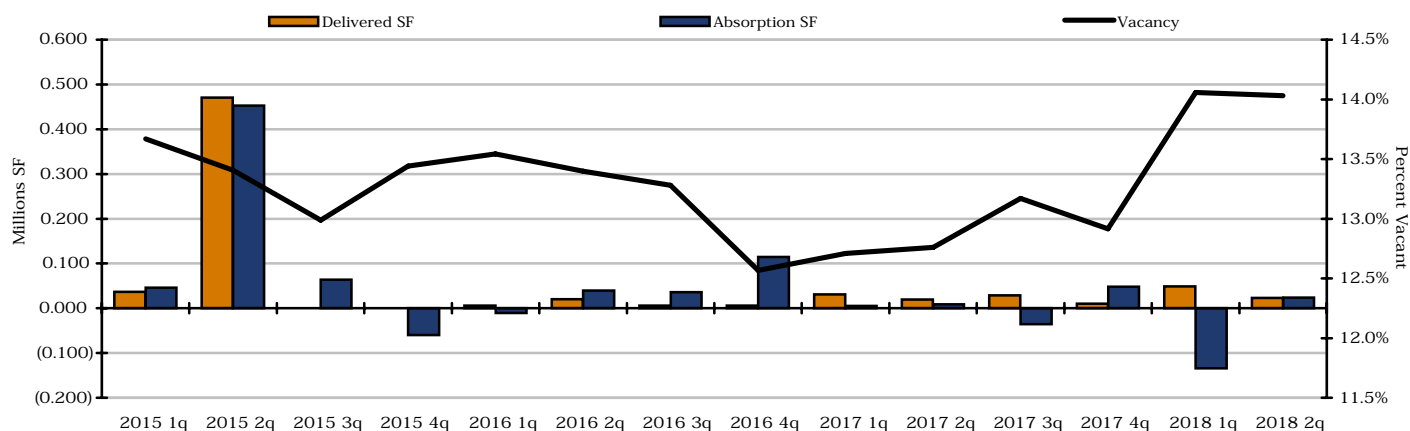
Houston Office Market



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

Deliveries, Absorption & Vacancy

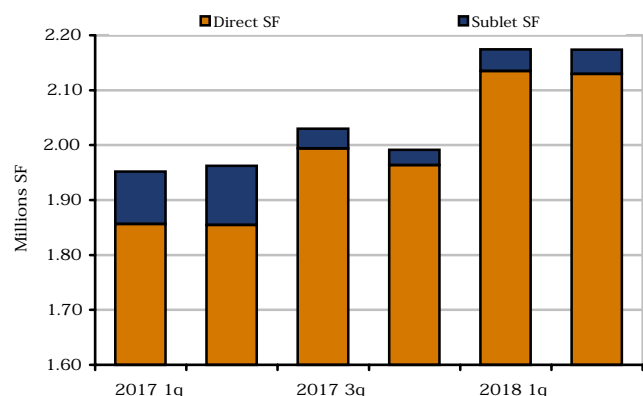
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

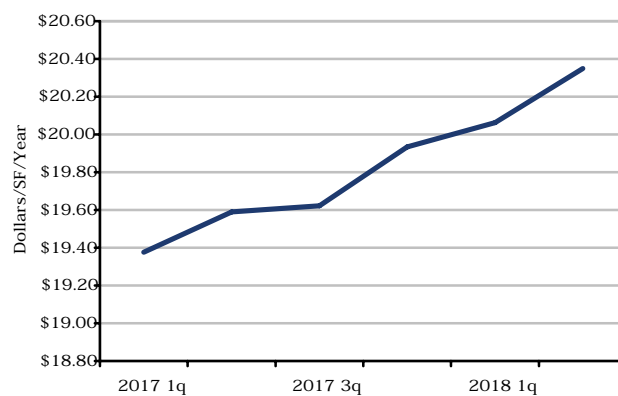
Historical Analysis, All Classes



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 2q	767	15,492,394	2,173,658	14.0%	23,865	3	23,000	8	260,684	\$20.35
2018 1q	764	15,469,394	2,174,523	14.1%	(134,221)	3	48,838	10	127,684	\$20.06
2017 4q	761	15,420,556	1,991,464	12.9%	48,044	3	9,867	8	120,242	\$19.93
2017 3q	758	15,410,689	2,029,641	13.2%	(35,391)	2	28,805	8	106,308	\$19.62
2017 2q	755	15,378,884	1,962,445	12.8%	8,812	10	19,238	9	122,705	\$19.59
2017 1q	745	15,359,646	1,952,019	12.7%	5,077	3	30,760	17	131,006	\$19.38
2016 4q	742	15,328,886	1,926,336	12.6%	114,483	2	5,683	13	67,195	\$19.32
2016 3q	740	15,323,203	2,035,136	13.3%	36,067	2	6,000	7	58,283	\$19.12
2016 2q	737	15,302,278	2,050,278	13.4%	39,286	1	20,000	8	57,368	\$19.41
2016 1q	736	15,282,278	2,069,564	13.5%	(10,704)	1	5,625	6	64,305	\$19.28
2015 4q	735	15,276,653	2,053,235	13.4%	(60,201)	0	0	5	46,550	\$19.35
2015 3q	733	15,266,389	1,982,770	13.0%	63,766	0	0	2	10,264	\$18.93
2015 2q	733	15,266,389	2,046,536	13.4%	452,527	1	470,623	2	10,264	\$18.71
2015 1q	731	14,788,610	2,021,284	13.7%	45,856	7	36,934	4	488,043	\$18.71
2014 4q	724	14,751,676	2,030,206	13.8%	53,074	2	9,134	9	514,713	\$18.69
2014 3q	720	14,734,525	2,066,129	14.0%	51,254	1	31,320	9	525,070	\$18.39

Source: CoStar Property®



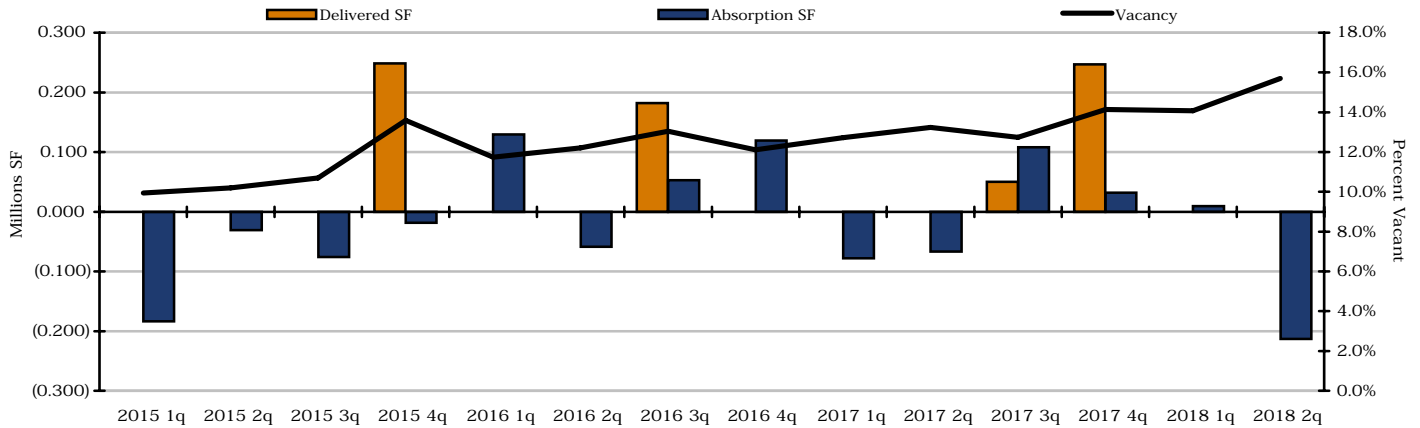
Houston Office Market

Greenway Plaza Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

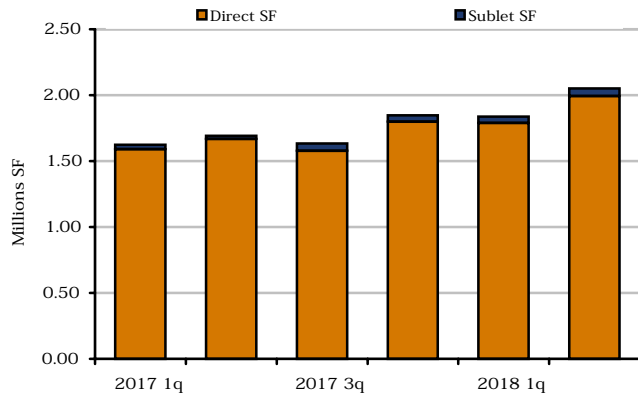
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

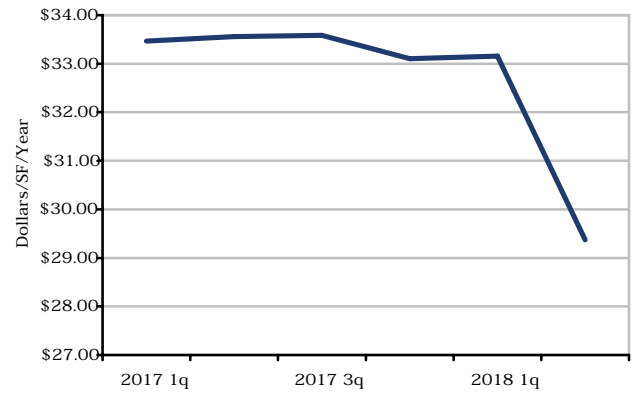
Historical Analysis, All Classes



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 2q	276	13,061,117	2,050,917	15.7%	(213,142)	0	0	0	0	\$29.37
2018 1q	276	13,061,117	1,837,775	14.1%	9,469	0	0	0	0	\$33.16
2017 4q	276	13,061,117	1,847,244	14.1%	32,040	1	246,989	0	0	\$33.11
2017 3q	275	12,814,128	1,632,295	12.7%	108,303	1	50,000	1	246,989	\$33.58
2017 2q	274	12,764,128	1,690,598	13.2%	(66,812)	0	0	2	296,989	\$33.56
2017 1q	274	12,764,128	1,623,786	12.7%	(77,989)	0	0	2	296,989	\$33.47
2016 4q	274	12,764,128	1,545,797	12.1%	119,464	0	0	2	296,989	\$33.49
2016 3q	274	12,764,128	1,665,261	13.0%	52,848	1	182,000	2	296,989	\$33.67
2016 2q	273	12,582,128	1,536,109	12.2%	(58,496)	0	0	3	478,989	\$33.98
2016 1q	273	12,582,128	1,477,613	11.7%	129,720	0	0	2	428,989	\$34.21
2015 4q	275	12,700,366	1,725,571	13.6%	(18,721)	1	248,275	2	428,989	\$32.64
2015 3q	276	12,310,463	1,316,947	10.7%	(75,604)	0	0	3	816,480	\$30.60
2015 2q	277	12,325,594	1,256,474	10.2%	(30,617)	0	0	3	816,480	\$30.83
2015 1q	277	12,325,594	1,225,857	9.9%	(183,520)	0	0	3	816,480	\$31.24
2014 4q	277	12,325,594	1,042,337	8.5%	78,347	0	0	3	816,480	\$31.79
2014 3q	277	12,333,043	1,128,133	9.1%	(67,994)	0	0	3	649,262	\$30.88

Source: CoStar Property®

Houston Office Market

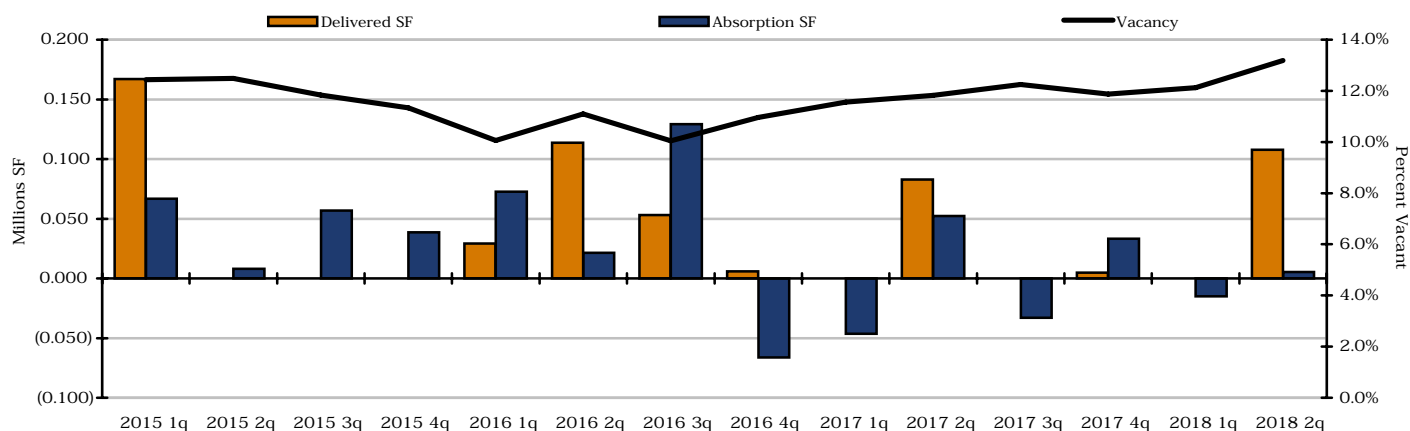


Gulf Freeway/Pasadena Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

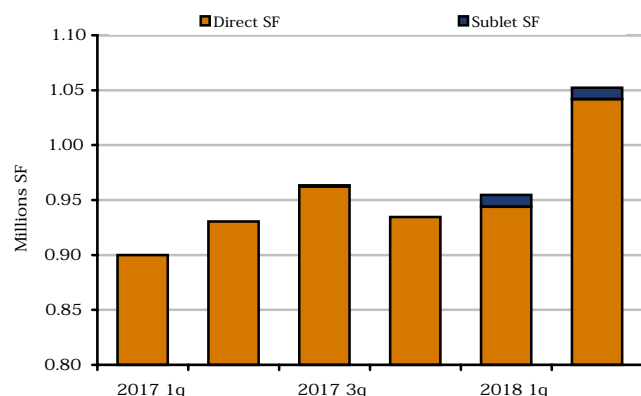
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

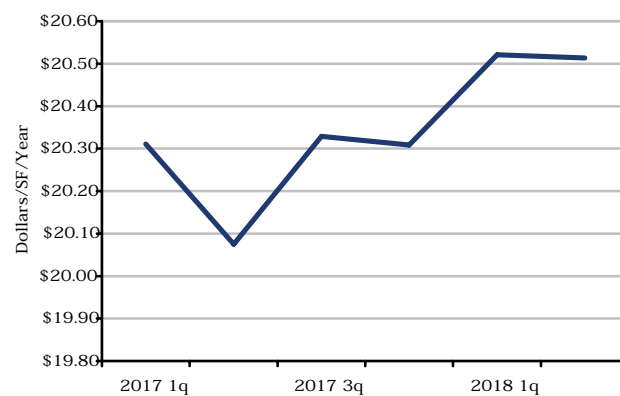
Historical Analysis, All Classes



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 2q	624	7,978,581	1,052,237	13.2%	5,360	3	107,876	2	18,827	\$20.51
2018 1q	622	7,875,505	954,521	12.1%	(15,022)	0	0	4	121,903	\$20.52
2017 4q	621	7,870,705	934,699	11.9%	33,292	1	4,710	5	126,703	\$20.31
2017 3q	620	7,865,995	963,281	12.2%	(32,864)	0	0	6	131,413	\$20.33
2017 2q	620	7,865,995	930,417	11.8%	52,201	1	82,800	6	131,413	\$20.07
2017 1q	619	7,783,195	899,818	11.6%	(46,342)	0	0	5	195,386	\$20.31
2016 4q	619	7,783,195	853,476	11.0%	(66,190)	1	6,000	1	82,800	\$20.09
2016 3q	618	7,777,195	781,286	10.0%	129,353	2	53,105	2	88,800	\$19.95
2016 2q	616	7,724,090	857,534	11.1%	21,567	2	113,570	3	59,105	\$20.42
2016 1q	614	7,610,520	765,531	10.1%	72,642	3	29,234	5	172,675	\$20.33
2015 4q	612	7,637,923	865,576	11.3%	38,669	0	0	7	195,909	\$19.74
2015 3q	612	7,637,923	904,245	11.8%	56,870	0	0	5	158,339	\$19.68
2015 2q	611	7,629,673	952,865	12.5%	8,127	0	0	5	64,589	\$19.41
2015 1q	610	7,616,273	947,592	12.4%	66,730	3	167,000	2	21,650	\$19.52
2014 4q	607	7,449,273	847,322	11.4%	(7,369)	0	0	5	188,650	\$19.43
2014 3q	607	7,449,273	839,953	11.3%	(135)	0	0	4	180,400	\$19.35

Source: CoStar Property®

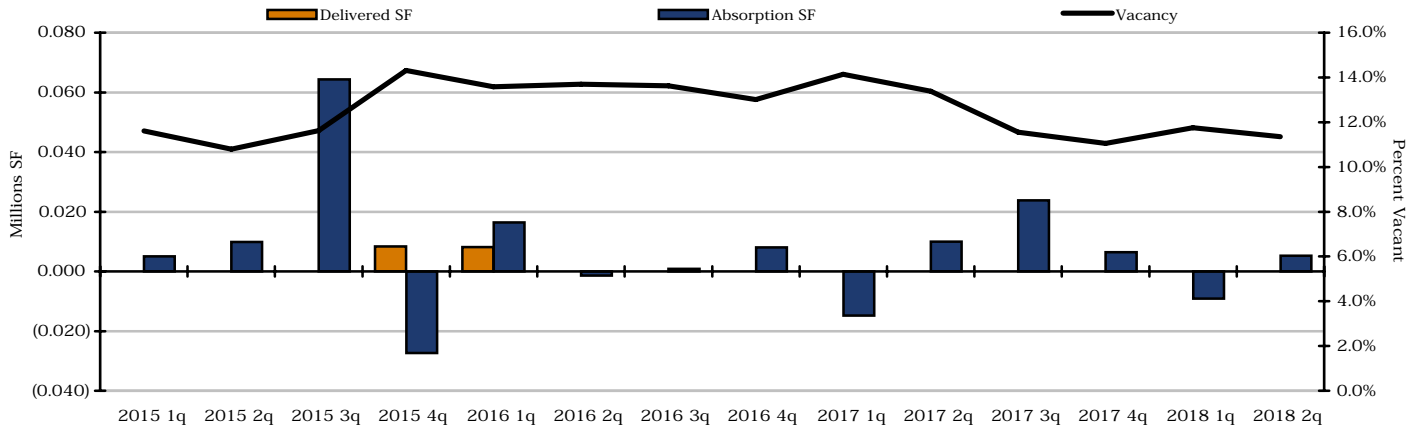


Houston Office Market

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

Deliveries, Absorption & Vacancy

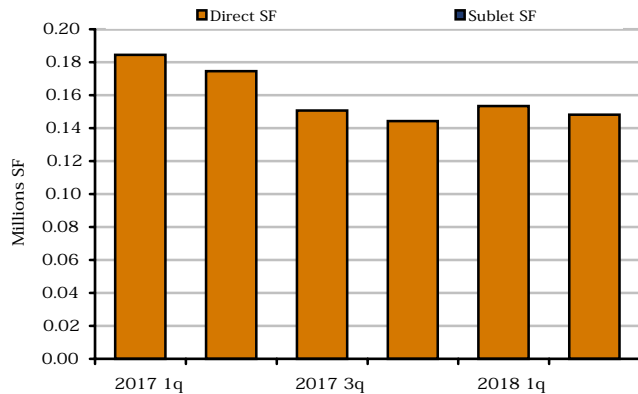
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

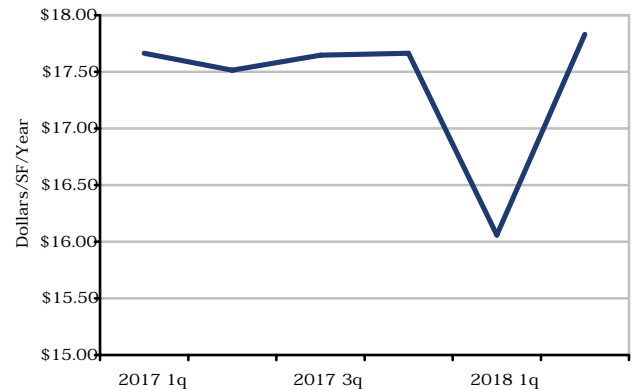
Historical Analysis, All Classes



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 2q	129	1,304,448	148,137	11.4%	5,204	0	0	0	0	\$17.83
2018 1q	129	1,304,448	153,341	11.8%	(9,160)	0	0	0	0	\$16.06
2017 4q	129	1,304,448	144,181	11.1%	6,458	0	0	0	0	\$17.67
2017 3q	129	1,304,448	150,639	11.5%	23,859	0	0	0	0	\$17.65
2017 2q	129	1,304,448	174,498	13.4%	10,013	0	0	0	0	\$17.51
2017 1q	129	1,304,448	184,511	14.1%	(14,782)	0	0	0	0	\$17.67
2016 4q	129	1,304,448	169,729	13.0%	8,030	0	0	0	0	\$17.69
2016 3q	129	1,304,448	177,759	13.6%	856	0	0	0	0	\$17.89
2016 2q	129	1,304,448	178,615	13.7%	(1,426)	0	0	0	0	\$17.86
2016 1q	129	1,304,448	177,189	13.6%	16,404	1	8,100	0	0	\$14.40
2015 4q	128	1,296,348	185,493	14.3%	(27,381)	1	8,403	1	8,100	\$14.71
2015 3q	127	1,287,945	149,709	11.6%	64,337	0	0	2	16,503	\$14.56
2015 2q	126	1,203,795	129,896	10.8%	9,850	0	0	3	100,653	\$15.24
2015 1q	126	1,203,795	139,746	11.6%	4,987	0	0	1	84,150	\$15.27
2014 4q	126	1,203,795	144,733	12.0%	16,046	0	0	1	84,150	\$16.74
2014 3q	126	1,203,795	160,779	13.4%	(5,003)	0	0	1	84,150	\$15.57

Source: CoStar Property®

Houston Office Market

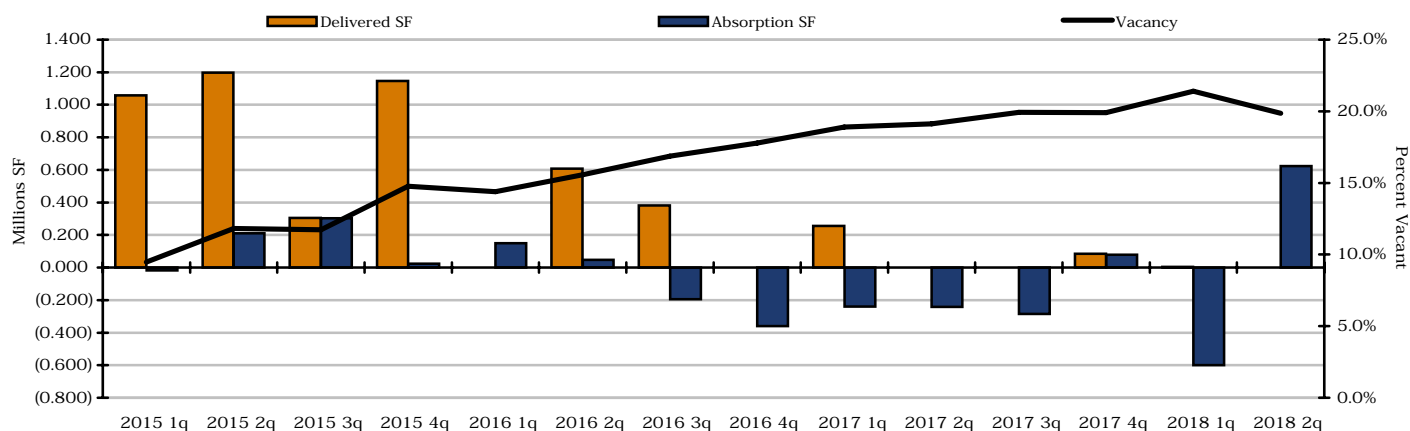


Katy Freeway Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

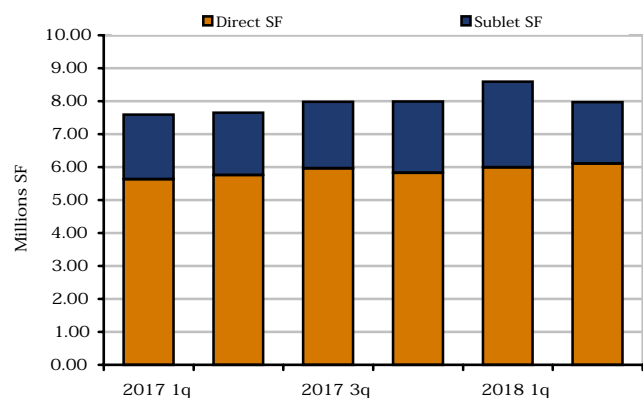
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

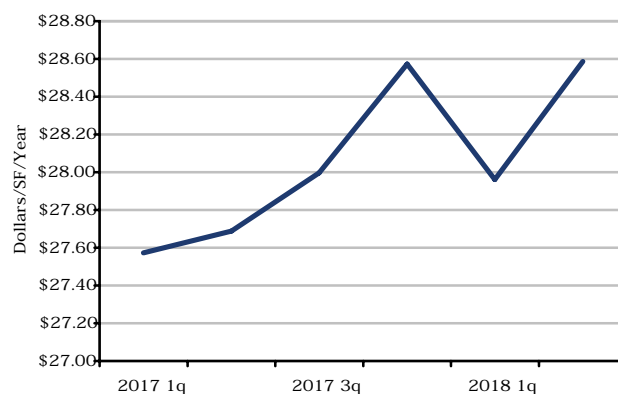
Historical Analysis, All Classes



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 2q	522	40,119,888	7,967,453	19.9%	623,551	0	0	4	232,774	\$28.59
2018 1q	522	40,119,888	8,591,004	21.4%	(599,085)	1	4,320	4	232,774	\$27.96
2017 4q	521	40,115,568	7,987,599	19.9%	78,903	1	85,000	1	4,320	\$28.57
2017 3q	520	40,030,568	7,981,502	19.9%	(284,916)	0	0	2	89,320	\$28.00
2017 2q	518	39,980,568	7,646,586	19.1%	(242,480)	0	0	4	139,320	\$27.69
2017 1q	521	40,168,594	7,592,132	18.9%	(240,468)	2	255,104	3	135,000	\$27.57
2016 4q	519	39,913,490	7,096,560	17.8%	(360,485)	0	0	5	390,104	\$27.74
2016 3q	519	39,913,490	6,736,075	16.9%	(194,869)	1	381,350	5	390,104	\$27.89
2016 2q	518	39,532,140	6,159,856	15.6%	47,199	2	606,925	5	686,454	\$29.26
2016 1q	516	38,925,215	5,600,130	14.4%	150,409	0	0	4	1,226,448	\$30.26
2015 4q	516	38,925,215	5,750,539	14.8%	24,452	3	1,145,458	4	1,226,448	\$30.49
2015 3q	512	37,552,694	4,402,470	11.7%	303,790	2	305,807	7	2,360,796	\$30.63
2015 2q	510	37,246,887	4,400,453	11.8%	210,775	4	1,197,917	9	2,666,603	\$30.69
2015 1q	506	36,049,710	3,414,051	9.5%	(18,378)	4	1,058,277	14	3,865,780	\$30.50
2014 4q	502	34,991,433	2,337,396	6.7%	910,846	4	712,268	18	4,924,057	\$30.48
2014 3q	498	34,279,165	2,535,974	7.4%	(65,344)	4	563,344	19	5,076,990	\$29.92

Source: CoStar Property®



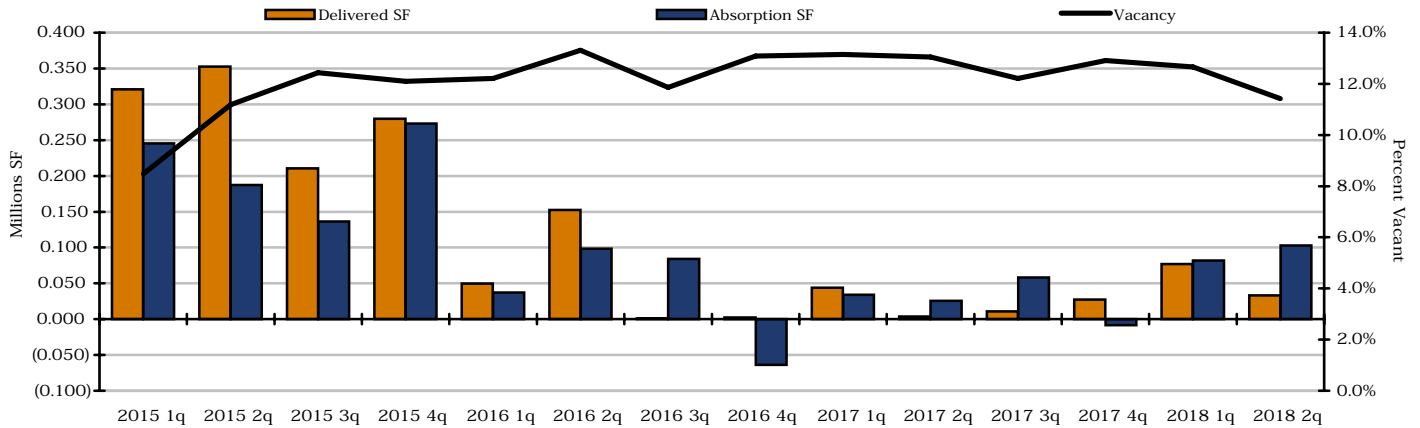
Houston Office Market

Katy/Grand Parkway West Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

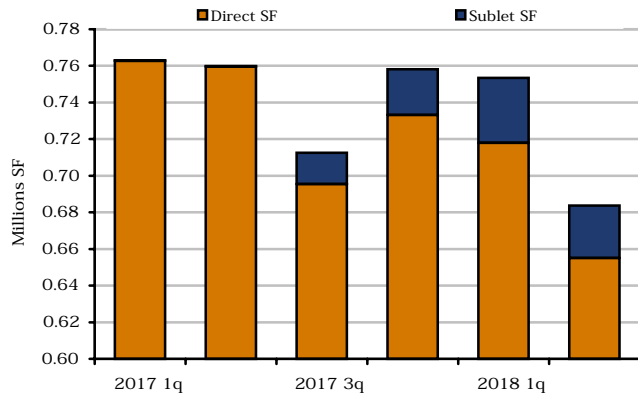
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

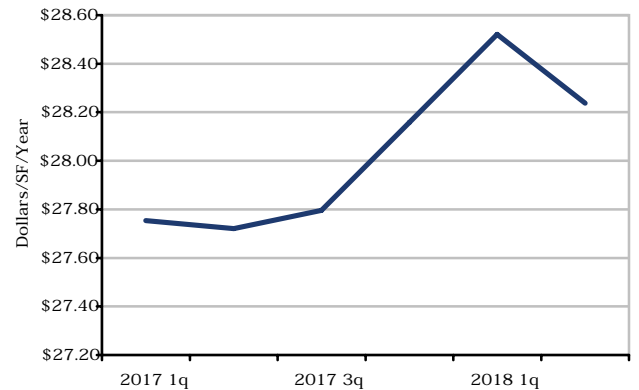
Historical Analysis, All Classes



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 2q	400	5,982,798	683,734	11.4%	102,840	5	33,200	3	13,300	\$28.24
2018 1q	395	5,949,598	753,374	12.7%	81,756	2	76,945	8	46,500	\$28.52
2017 4q	393	5,872,653	758,185	12.9%	(8,605)	2	27,323	9	118,545	\$28.16
2017 3q	389	5,835,530	712,457	12.2%	58,349	2	10,827	12	150,768	\$27.80
2017 2q	387	5,824,703	759,979	13.0%	25,445	1	3,500	12	151,795	\$27.72
2017 1q	384	5,802,353	763,074	13.2%	34,059	4	43,834	13	97,100	\$27.75
2016 4q	380	5,758,519	753,299	13.1%	(63,765)	1	2,475	12	110,111	\$27.54
2016 3q	378	5,751,144	682,159	11.9%	84,292	1	1,200	10	84,259	\$27.02
2016 2q	377	5,749,944	765,251	13.3%	98,172	3	152,582	7	48,659	\$27.15
2016 1q	370	5,566,458	679,937	12.2%	37,200	4	49,678	12	201,245	\$27.49
2015 4q	366	5,516,780	667,459	12.1%	273,033	3	279,866	12	238,064	\$27.13
2015 3q	361	5,226,458	650,170	12.4%	136,252	4	210,370	15	502,871	\$26.32
2015 2q	354	4,999,418	559,382	11.2%	187,392	6	352,647	17	590,691	\$26.54
2015 1q	348	4,646,771	394,127	8.5%	245,282	6	320,753	18	898,087	\$26.05
2014 4q	342	4,326,018	318,656	7.4%	142,218	2	77,860	19	1,127,593	\$25.99
2014 3q	338	4,128,844	263,700	6.4%	120,088	1	7,300	18	1,149,224	\$25.16

Source: CoStar Property®

Houston Office Market

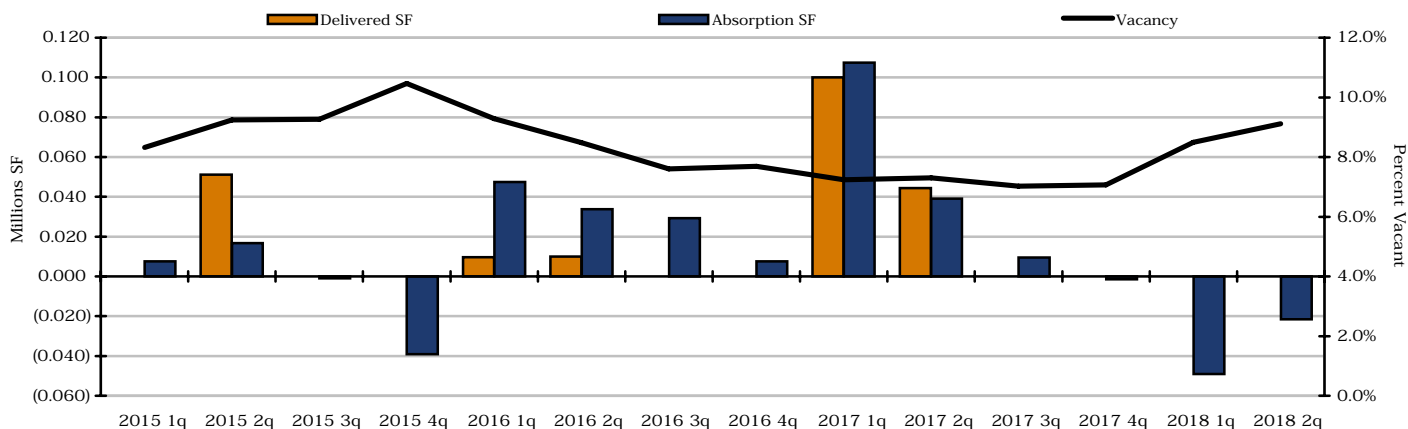


Kingwood / Humble Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

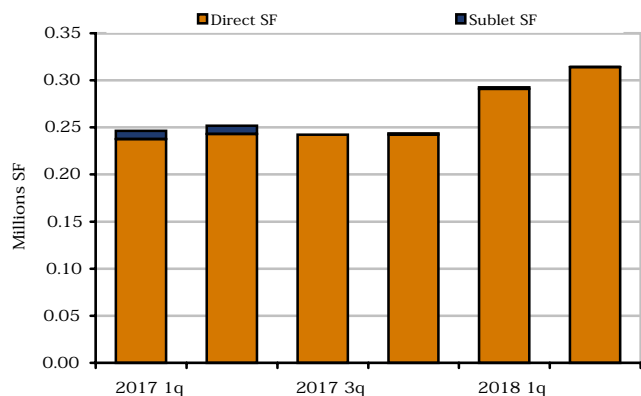
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

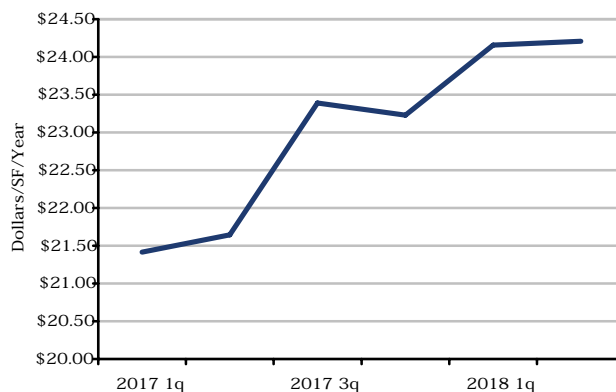
Historical Analysis, All Classes



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 2q	219	3,445,118	314,197	9.1%	(21,551)	0	0	1	100,000	\$24.21
2018 1q	219	3,445,118	292,646	8.5%	(48,998)	0	0	1	100,000	\$24.16
2017 4q	219	3,445,118	243,648	7.1%	(1,495)	0	0	1	100,000	\$23.23
2017 3q	219	3,445,118	242,153	7.0%	9,542	0	0	1	100,000	\$23.39
2017 2q	219	3,445,118	251,695	7.3%	39,089	1	44,450	1	100,000	\$21.64
2017 1q	218	3,400,668	246,334	7.2%	107,408	1	100,000	1	44,450	\$21.42
2016 4q	217	3,300,668	253,742	7.7%	7,584	0	0	2	144,450	\$21.11
2016 3q	216	3,289,268	249,926	7.6%	29,206	0	0	3	155,850	\$22.01
2016 2q	216	3,289,268	279,132	8.5%	33,770	2	9,900	3	155,850	\$22.01
2016 1q	215	3,280,904	304,538	9.3%	47,389	2	9,600	5	165,750	\$22.21
2015 4q	213	3,271,304	342,327	10.5%	(39,127)	0	0	5	63,950	\$22.41
2015 3q	213	3,271,304	303,200	9.3%	(955)	0	0	4	19,500	\$22.55
2015 2q	213	3,271,304	302,245	9.2%	16,805	2	51,154	2	9,600	\$22.09
2015 1q	211	3,220,150	267,896	8.3%	7,498	0	0	2	51,154	\$21.77
2014 4q	211	3,220,150	275,394	8.6%	2,235	0	0	2	51,154	\$21.80
2014 3q	211	3,220,150	277,629	8.6%	73,935	0	0	2	51,154	\$21.80

Source: CoStar Property®



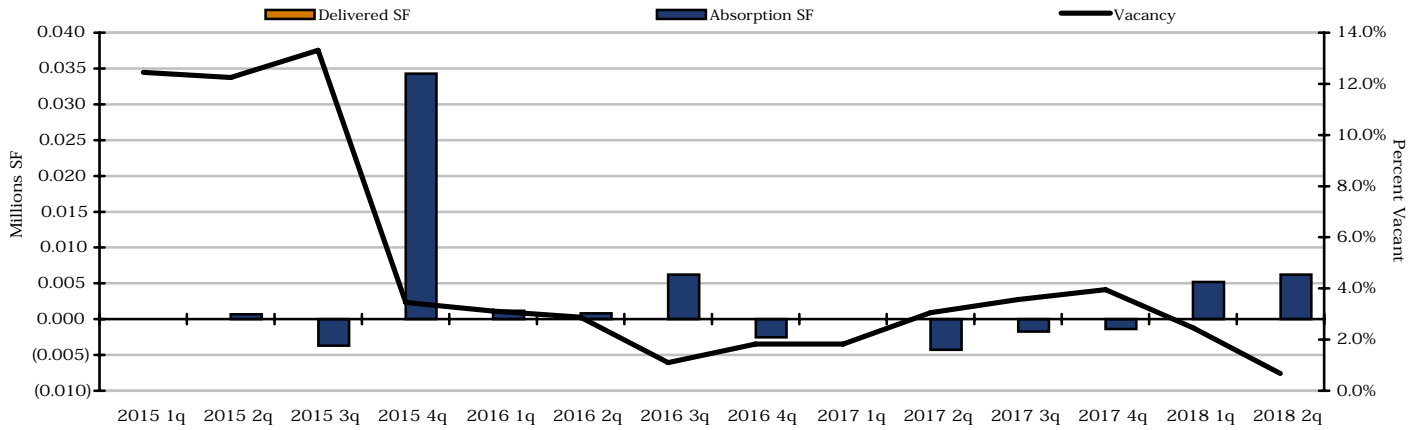
Houston Office Market

Liberty County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

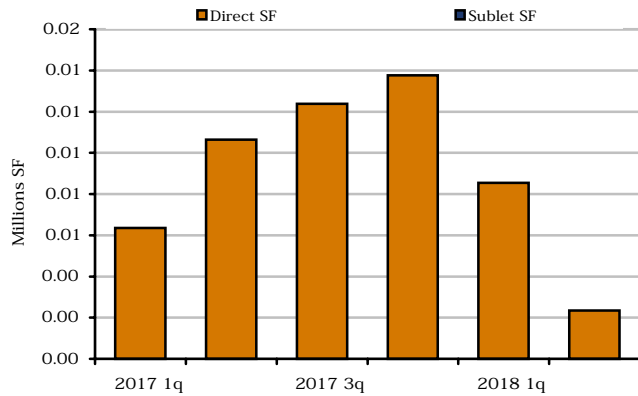
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

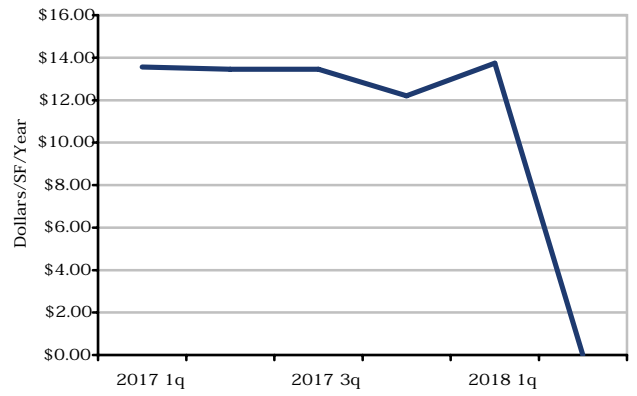
Historical Analysis, All Classes



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 2q	68	347,688	2,346	0.7%	6,202	0	0	0	0	\$0.00
2018 1q	68	347,688	8,548	2.5%	5,210	0	0	0	0	\$13.74
2017 4q	68	347,688	13,758	4.0%	(1,376)	0	0	0	0	\$12.21
2017 3q	68	347,688	12,382	3.6%	(1,748)	0	0	0	0	\$13.46
2017 2q	68	347,688	10,634	3.1%	(4,285)	0	0	0	0	\$13.46
2017 1q	68	347,688	6,349	1.8%	0	0	0	0	0	\$13.55
2016 4q	68	347,688	6,349	1.8%	(2,534)	0	0	0	0	\$13.65
2016 3q	68	347,688	3,815	1.1%	6,200	0	0	0	0	\$13.98
2016 2q	68	347,688	10,015	2.9%	800	0	0	0	0	\$15.38
2016 1q	68	347,688	10,815	3.1%	1,184	0	0	0	0	\$15.34
2015 4q	68	347,688	11,999	3.5%	34,275	0	0	0	0	\$14.52
2015 3q	68	347,688	46,274	13.3%	(3,699)	0	0	0	0	\$14.50
2015 2q	68	347,688	42,575	12.2%	700	0	0	0	0	\$14.53
2015 1q	68	347,688	43,275	12.4%	0	0	0	0	0	\$14.53
2014 4q	68	347,688	43,275	12.4%	(3,200)	0	0	0	0	\$15.10
2014 3q	68	347,688	40,075	11.5%	500	0	0	0	0	\$14.90

Source: CoStar Property®

Houston Office Market

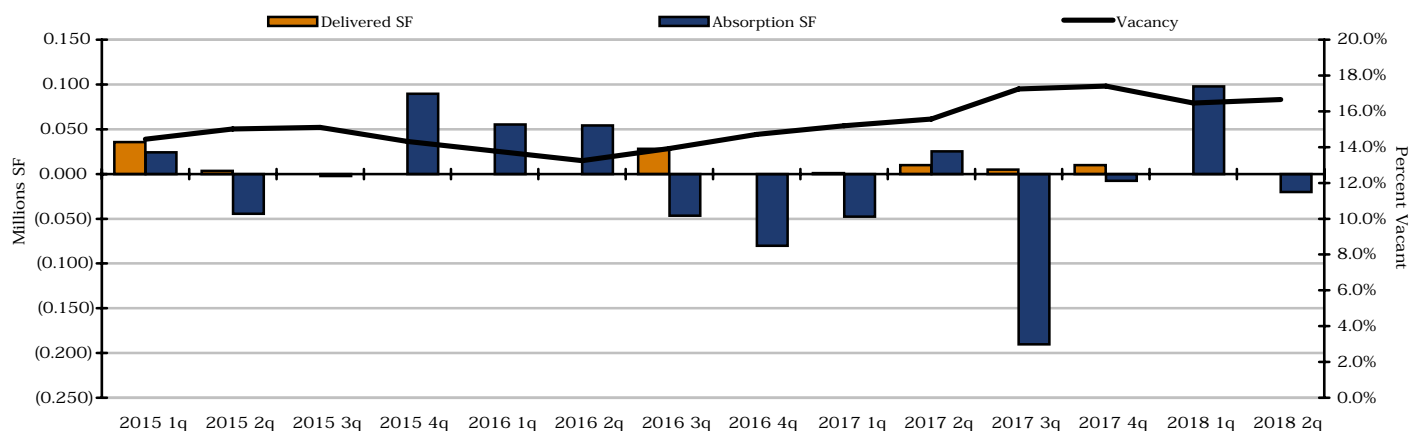


NASA / Clear Lake Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

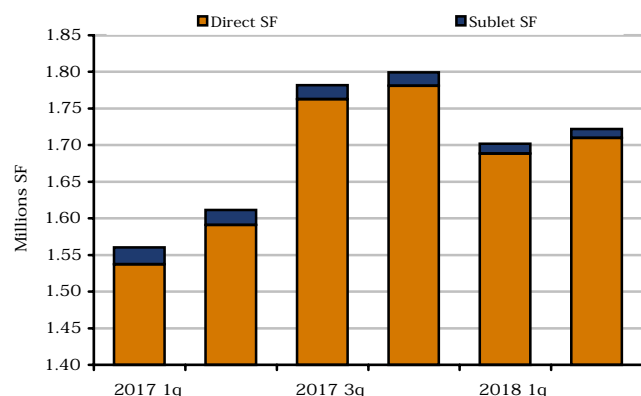
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

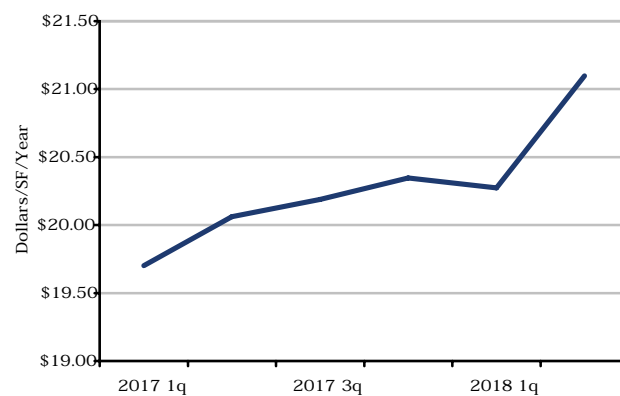
Historical Analysis, All Classes



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 2q	517	10,339,704	1,721,888	16.7%	(20,208)	0	0	4	94,539	\$21.10
2018 1q	517	10,339,704	1,701,680	16.5%	97,664	0	0	2	36,125	\$20.27
2017 4q	517	10,339,704	1,799,344	17.4%	(7,661)	1	10,000	2	36,125	\$20.35
2017 3q	516	10,329,704	1,781,683	17.2%	(190,331)	1	5,000	1	10,000	\$20.19
2017 2q	516	10,349,904	1,611,552	15.6%	25,395	1	10,000	2	15,000	\$20.06
2017 1q	513	10,273,213	1,560,256	15.2%	(47,850)	1	1,010	5	91,691	\$19.70
2016 4q	512	10,272,203	1,511,396	14.7%	(80,319)	0	0	5	82,701	\$19.71
2016 3q	512	10,272,203	1,431,077	13.9%	(46,460)	2	28,000	3	67,701	\$19.57
2016 2q	509	10,243,303	1,355,717	13.2%	54,226	0	0	5	92,910	\$19.77
2016 1q	510	10,245,339	1,411,979	13.8%	55,236	0	0	3	28,900	\$19.16
2015 4q	510	10,245,339	1,467,215	14.3%	89,594	0	0	3	28,900	\$19.81
2015 3q	509	10,234,035	1,545,505	15.1%	(2,425)	0	0	3	39,304	\$19.92
2015 2q	508	10,226,535	1,535,580	15.0%	(44,607)	1	3,300	2	18,804	\$19.90
2015 1q	506	10,209,235	1,473,673	14.4%	24,081	4	35,448	4	36,104	\$19.50
2014 4q	503	10,177,535	1,466,054	14.4%	84,633	1	18,000	7	60,248	\$19.96
2014 3q	501	10,153,194	1,526,346	15.0%	143,169	1	55,000	8	77,089	\$19.37

Source: CoStar Property®



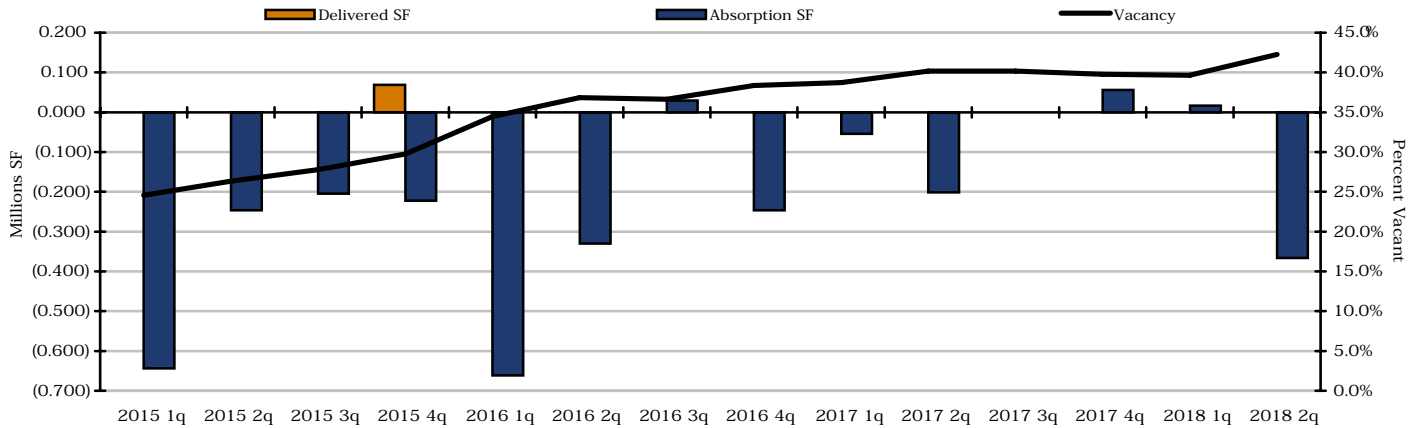
Houston Office Market

North Belt Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

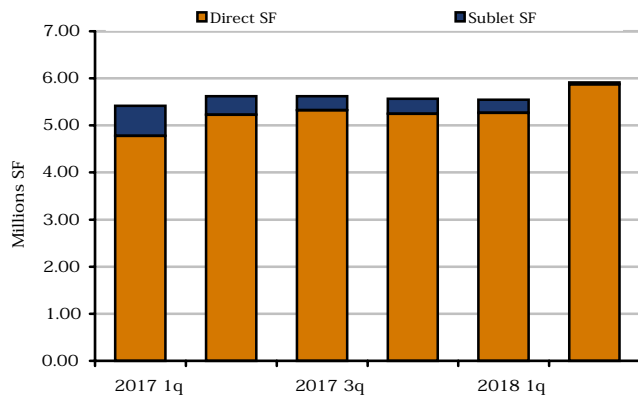
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

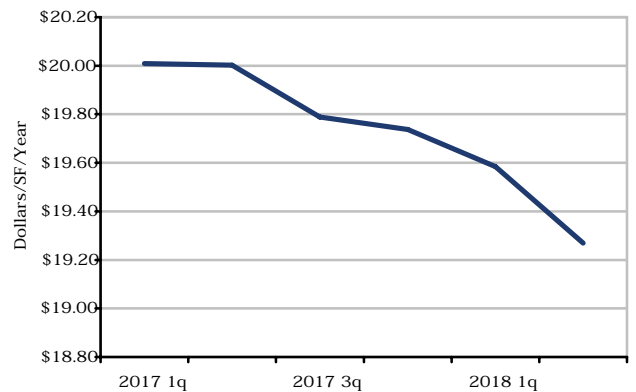
Historical Analysis, All Classes



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 2q	173	13,994,121	5,913,997	42.3%	(366,053)	0	0	0	0	\$19.27
2018 1q	173	13,994,121	5,547,944	39.6%	16,288	0	0	0	0	\$19.58
2017 4q	173	13,994,121	5,564,232	39.8%	56,182	0	0	0	0	\$19.74
2017 3q	173	13,994,121	5,620,414	40.2%	(495)	0	0	0	0	\$19.79
2017 2q	173	13,994,121	5,619,919	40.2%	(201,072)	0	0	0	0	\$20.00
2017 1q	173	13,994,121	5,418,847	38.7%	(53,887)	0	0	0	0	\$20.01
2016 4q	174	14,004,121	5,374,960	38.4%	(246,594)	0	0	0	0	\$20.69
2016 3q	174	14,004,121	5,128,366	36.6%	29,535	0	0	0	0	\$20.27
2016 2q	174	14,004,121	5,157,901	36.8%	(330,338)	0	0	0	0	\$20.43
2016 1q	174	14,004,121	4,827,563	34.5%	(661,700)	0	0	0	0	\$20.59
2015 4q	174	14,004,121	4,165,863	29.7%	(222,545)	1	68,950	0	0	\$20.99
2015 3q	173	13,935,171	3,874,368	27.8%	(204,592)	0	0	1	68,950	\$22.01
2015 2q	173	13,935,171	3,669,776	26.3%	(246,124)	0	0	1	68,950	\$22.13
2015 1q	173	13,935,171	3,423,652	24.6%	(643,892)	0	0	1	68,950	\$22.92
2014 4q	173	13,935,171	2,779,760	19.9%	(370,942)	0	0	1	68,950	\$22.40
2014 3q	173	13,935,171	2,408,818	17.3%	(146,412)	0	0	0	0	\$22.40

Source: CoStar Property®

Houston Office Market

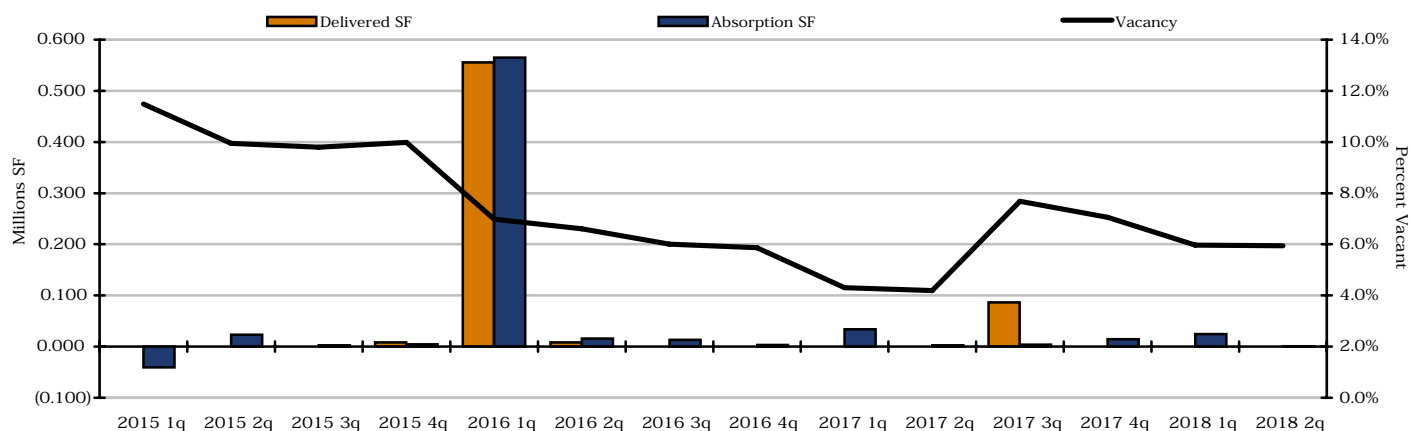


Northeast Near Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

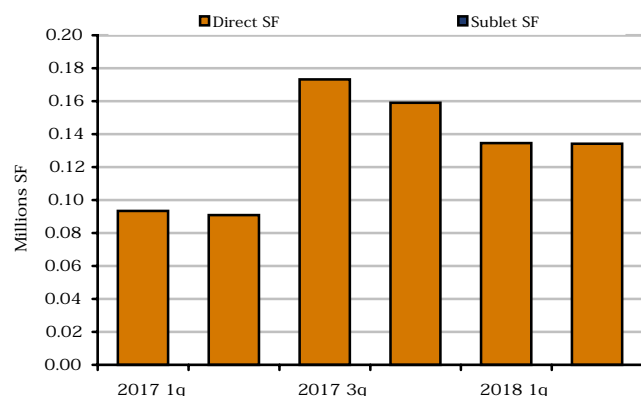
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

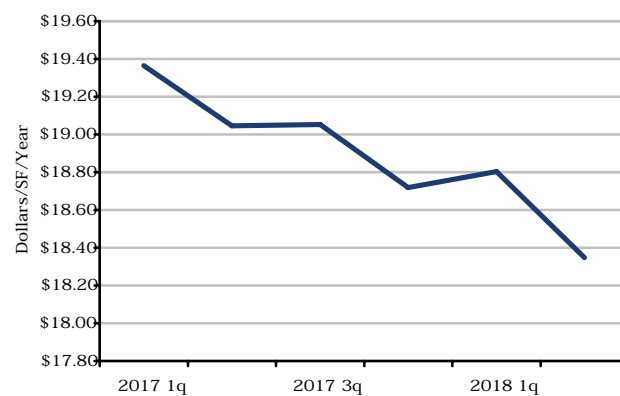
Historical Analysis, All Classes



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 2q	145	2,254,880	134,088	5.9%	571	0	0	0	0	\$18.35
2018 1q	145	2,254,880	134,659	6.0%	24,313	0	0	0	0	\$18.80
2017 4q	145	2,254,880	158,972	7.1%	14,318	0	0	0	0	\$18.72
2017 3q	145	2,254,880	173,290	7.7%	4,039	1	86,523	0	0	\$19.05
2017 2q	144	2,168,357	90,806	4.2%	2,627	0	0	1	86,523	\$19.05
2017 1q	144	2,168,357	93,433	4.3%	33,856	0	0	1	86,523	\$19.36
2016 4q	144	2,168,357	127,289	5.9%	2,905	0	0	1	86,523	\$19.53
2016 3q	144	2,168,357	130,194	6.0%	13,115	0	0	1	86,523	\$19.43
2016 2q	144	2,168,357	143,309	6.6%	16,031	1	8,500	0	0	\$19.34
2016 1q	143	2,159,857	150,840	7.0%	565,024	2	555,700	1	8,500	\$19.41
2015 4q	141	1,604,157	160,164	10.0%	4,197	1	8,040	3	564,200	\$19.16
2015 3q	140	1,596,117	156,321	9.8%	2,344	0	0	4	572,240	\$19.06
2015 2q	140	1,596,117	158,665	9.9%	23,121	0	0	3	563,740	\$17.11
2015 1q	141	1,597,789	183,458	11.5%	(40,429)	0	0	3	563,740	\$17.32
2014 4q	141	1,597,789	143,029	9.0%	(982)	0	0	1	8,040	\$17.71
2014 3q	141	1,597,789	142,047	8.9%	33,059	0	0	0	0	\$16.79

Source: CoStar Property®



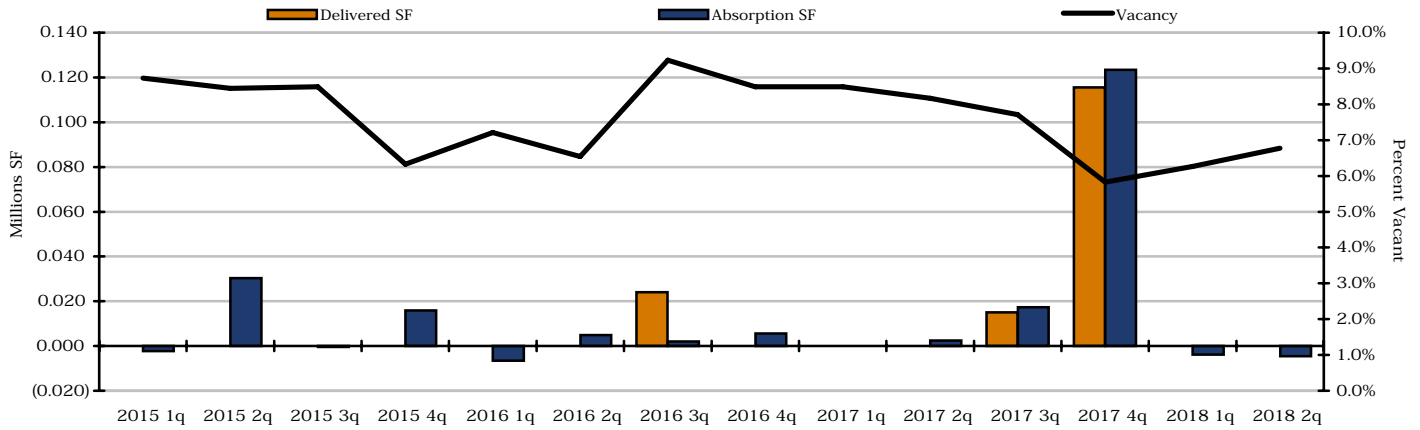
Houston Office Market

Northeast Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

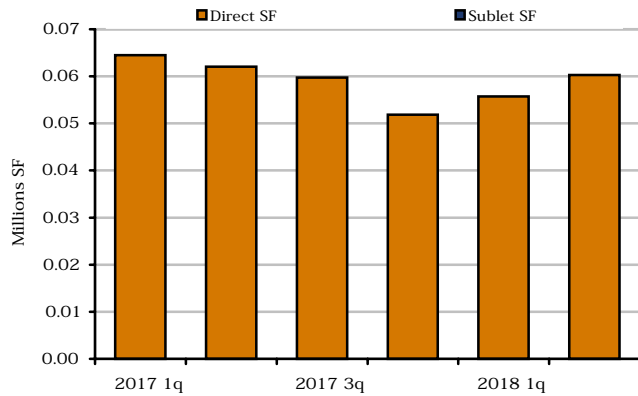
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

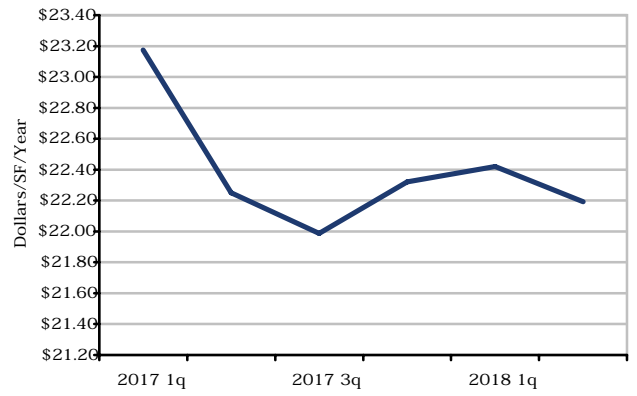
Historical Analysis, All Classes



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 2q	85	890,021	60,307	6.8%	(4,561)	0	0	1	8,000	\$22.19
2018 1q	85	890,021	55,746	6.3%	(3,896)	0	0	1	8,000	\$22.42
2017 4q	85	890,021	51,850	5.8%	123,460	1	115,601	0	0	\$22.32
2017 3q	84	774,420	59,709	7.7%	17,330	1	15,000	1	115,601	\$21.99
2017 2q	83	759,420	62,039	8.2%	2,450	0	0	2	130,601	\$22.25
2017 1q	83	759,420	64,489	8.5%	7	0	0	2	130,601	\$23.17
2016 4q	83	759,420	64,496	8.5%	5,588	0	0	1	115,601	\$23.07
2016 3q	83	759,420	70,084	9.2%	2,044	1	24,000	0	0	\$22.90
2016 2q	82	735,420	48,128	6.5%	4,916	0	0	1	24,000	\$22.65
2016 1q	82	735,420	53,044	7.2%	(6,521)	0	0	1	24,000	\$22.26
2015 4q	82	735,420	46,523	6.3%	15,909	0	0	1	24,000	\$21.60
2015 3q	82	735,420	62,432	8.5%	(345)	0	0	0	0	\$20.33
2015 2q	82	735,420	62,087	8.4%	30,363	0	0	0	0	\$20.68
2015 1q	81	704,460	61,490	8.7%	(2,232)	0	0	1	30,960	\$21.49
2014 4q	81	704,460	59,258	8.4%	5,387	1	36,400	1	30,960	\$20.51
2014 3q	80	668,060	28,245	4.2%	1,130	0	0	2	67,360	\$20.04

Source: CoStar Property®

Houston Office Market

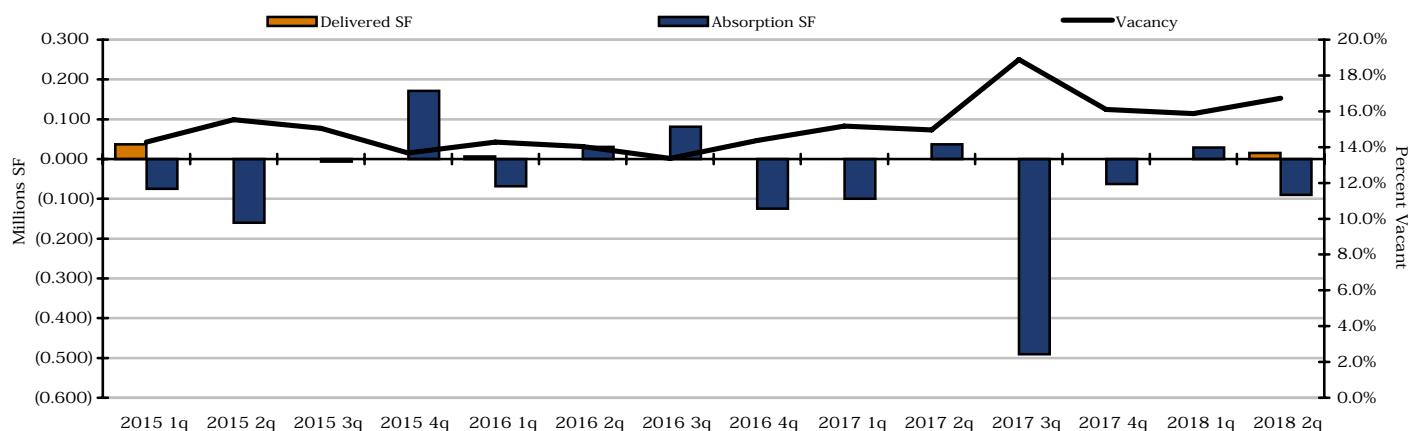


Northwest Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

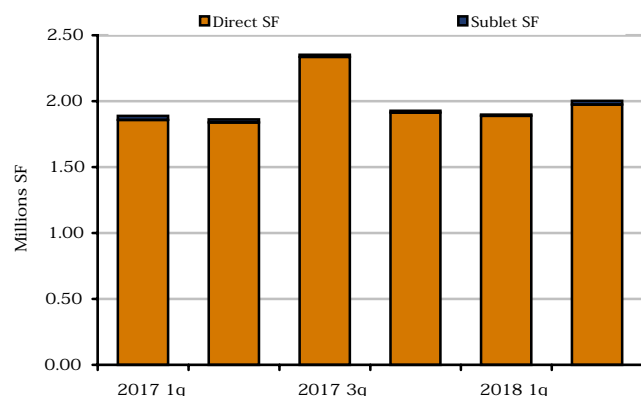
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

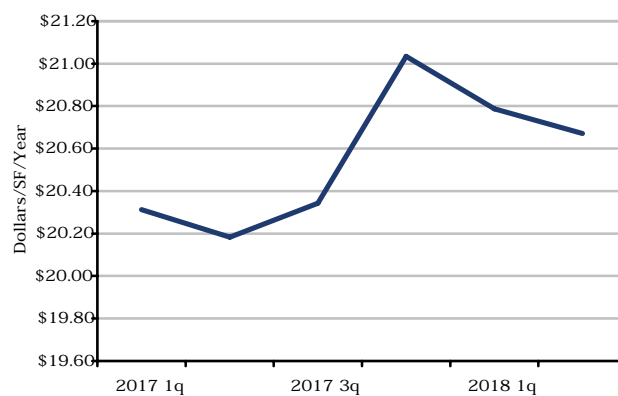
Historical Analysis, All Classes



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 2q	523	11,977,001	2,003,238	16.7%	(90,138)	1	15,000	1	10,020	\$20.67
2018 1q	522	11,962,001	1,898,100	15.9%	28,964	0	0	2	25,020	\$20.79
2017 4q	522	11,962,001	1,927,064	16.1%	(62,351)	0	0	2	25,020	\$21.03
2017 3q	525	12,448,938	2,351,650	18.9%	(490,347)	0	0	1	15,000	\$20.34
2017 2q	525	12,448,938	1,861,303	15.0%	36,838	0	0	1	15,000	\$20.18
2017 1q	524	12,438,938	1,888,141	15.2%	(100,098)	0	0	2	25,000	\$20.31
2016 4q	524	12,438,938	1,788,043	14.4%	(124,495)	0	0	2	25,000	\$20.12
2016 3q	524	12,438,938	1,663,548	13.4%	81,407	0	0	2	25,000	\$19.95
2016 2q	524	12,438,938	1,744,955	14.0%	30,688	0	0	1	15,000	\$19.61
2016 1q	524	12,438,938	1,775,643	14.3%	(68,506)	2	6,360	1	15,000	\$19.68
2015 4q	522	12,432,578	1,700,777	13.7%	171,067	0	0	2	6,360	\$19.95
2015 3q	522	12,432,578	1,871,844	15.1%	(6,073)	0	0	2	6,360	\$19.66
2015 2q	523	12,510,034	1,943,227	15.5%	(160,366)	0	0	1	3,560	\$19.73
2015 1q	524	12,515,324	1,788,151	14.3%	(74,398)	1	37,220	0	0	\$19.86
2014 4q	523	12,478,104	1,676,533	13.4%	207,165	0	0	1	37,220	\$19.76
2014 3q	523	12,478,104	1,883,698	15.1%	94,645	1	3,106	1	37,220	\$19.62

Source: CoStar Property®



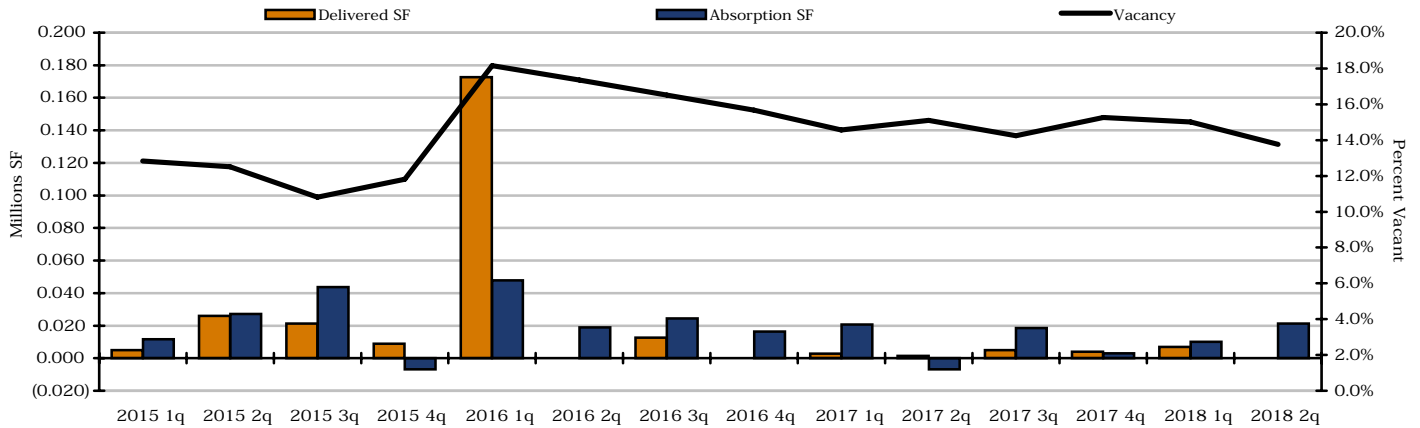
Houston Office Market

Northwest Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

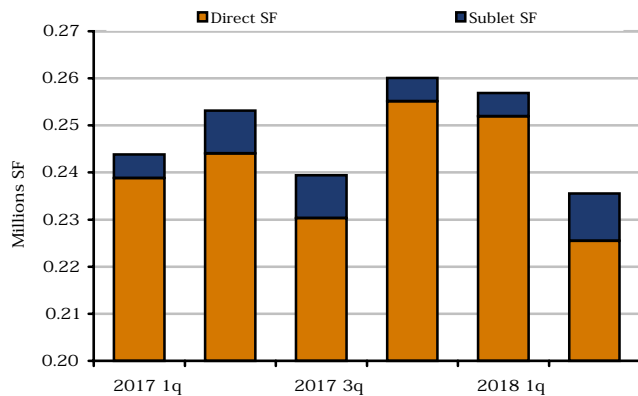
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

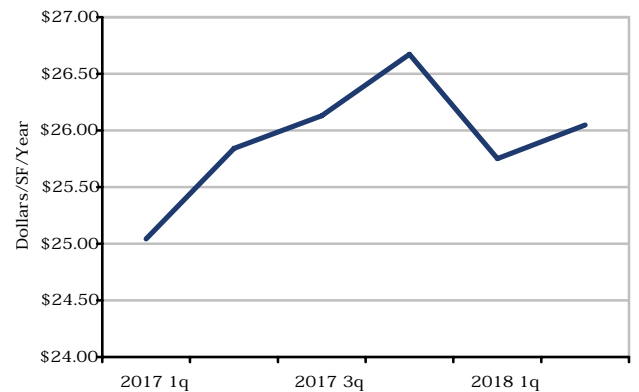
Historical Analysis, All Classes



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 2q	231	1,710,969	235,549	13.8%	21,332	0	0	7	48,955	\$26.05
2018 1q	231	1,710,969	256,881	15.0%	10,170	2	7,000	4	19,255	\$25.75
2017 4q	229	1,703,969	260,051	15.3%	3,036	1	4,000	5	20,450	\$26.67
2017 3q	227	1,680,292	239,410	14.2%	18,597	3	4,889	4	32,077	\$26.13
2017 2q	224	1,675,403	253,118	15.1%	(6,848)	1	1,509	7	36,966	\$25.84
2017 1q	222	1,672,934	243,801	14.6%	20,683	1	2,728	6	28,903	\$25.04
2016 4q	221	1,670,206	261,756	15.7%	16,437	0	0	4	27,365	\$25.27
2016 3q	220	1,667,459	275,446	16.5%	24,393	1	12,592	5	30,112	\$25.60
2016 2q	219	1,654,867	287,247	17.4%	18,873	0	0	4	39,016	\$25.59
2016 1q	217	1,647,869	299,122	18.2%	47,731	4	172,672	4	22,337	\$25.49
2015 4q	213	1,475,197	174,181	11.8%	(6,918)	3	8,818	6	179,670	\$25.89
2015 3q	210	1,466,379	158,445	10.8%	43,636	4	21,200	8	185,488	\$26.31
2015 2q	206	1,445,179	180,881	12.5%	27,217	1	26,000	11	202,690	\$26.19
2015 1q	205	1,419,179	182,098	12.8%	11,734	1	4,900	8	216,889	\$25.93
2014 4q	204	1,414,279	188,932	13.4%	17,020	0	0	3	37,500	\$21.49
2014 3q	204	1,414,279	205,952	14.6%	6,562	0	0	2	30,900	\$21.34

Source: CoStar Property®

Houston Office Market

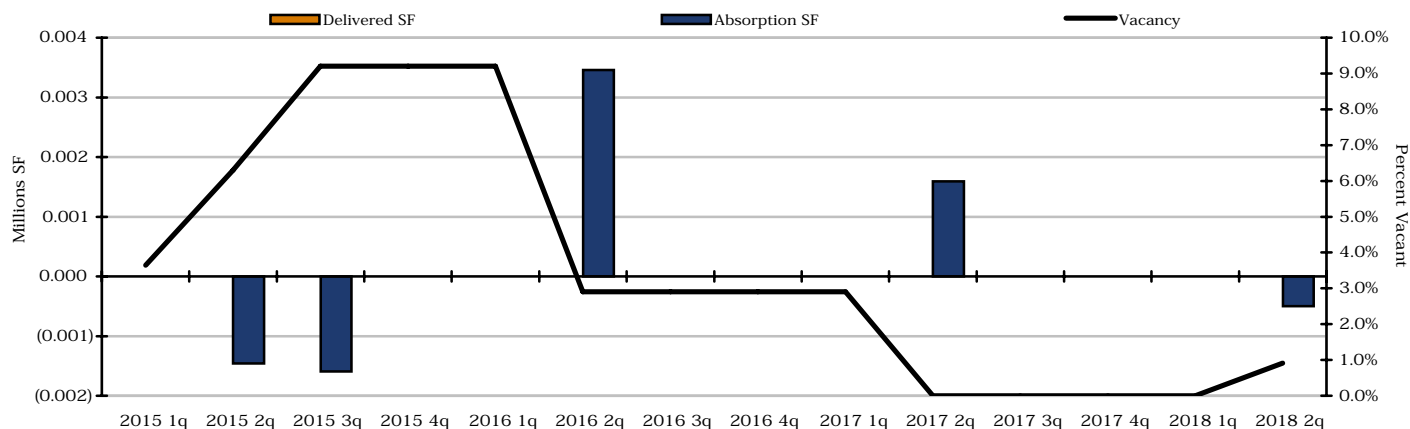


Outlying Chambers County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

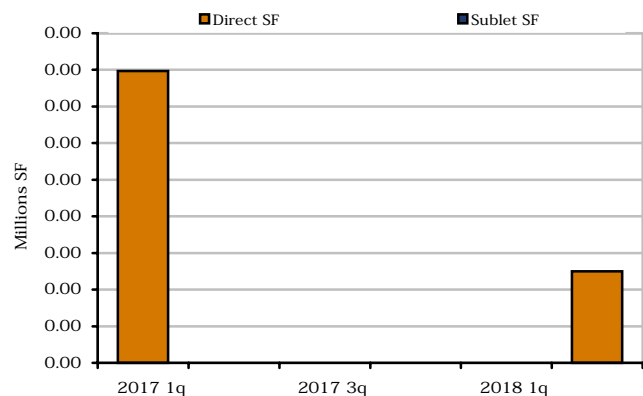
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

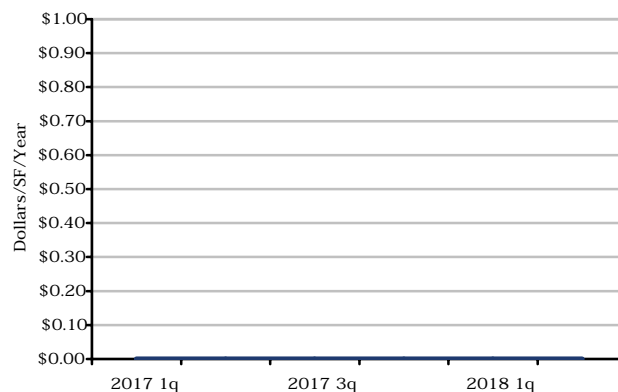
Historical Analysis, All Classes



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 2q	20	54,901	500	0.9%	(500)	0	0	0	0	\$0.00
2018 1q	20	54,901	0	0.0%	0	0	0	0	0	\$0.00
2017 4q	20	54,901	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	20	54,901	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	20	54,901	0	0.0%	1,593	0	0	0	0	\$0.00
2017 1q	20	54,901	1,593	2.9%	0	0	0	0	0	\$0.00
2016 4q	20	54,901	1,593	2.9%	0	0	0	0	0	\$0.00
2016 3q	20	54,901	1,593	2.9%	0	0	0	0	0	\$0.00
2016 2q	20	54,901	1,593	2.9%	3,458	0	0	0	0	\$0.00
2016 1q	20	54,901	5,051	9.2%	0	0	0	0	0	\$0.00
2015 4q	20	54,901	5,051	9.2%	0	0	0	0	0	\$0.00
2015 3q	20	54,901	5,051	9.2%	(1,593)	0	0	0	0	\$0.00
2015 2q	20	54,901	3,458	6.3%	(1,458)	0	0	0	0	\$0.00
2015 1q	20	54,901	2,000	3.6%	0	0	0	0	0	\$0.00
2014 4q	20	54,901	2,000	3.6%	4,200	0	0	0	0	\$0.00
2014 3q	20	54,901	6,200	11.3%	0	0	0	0	0	\$0.00

Source: CoStar Property®



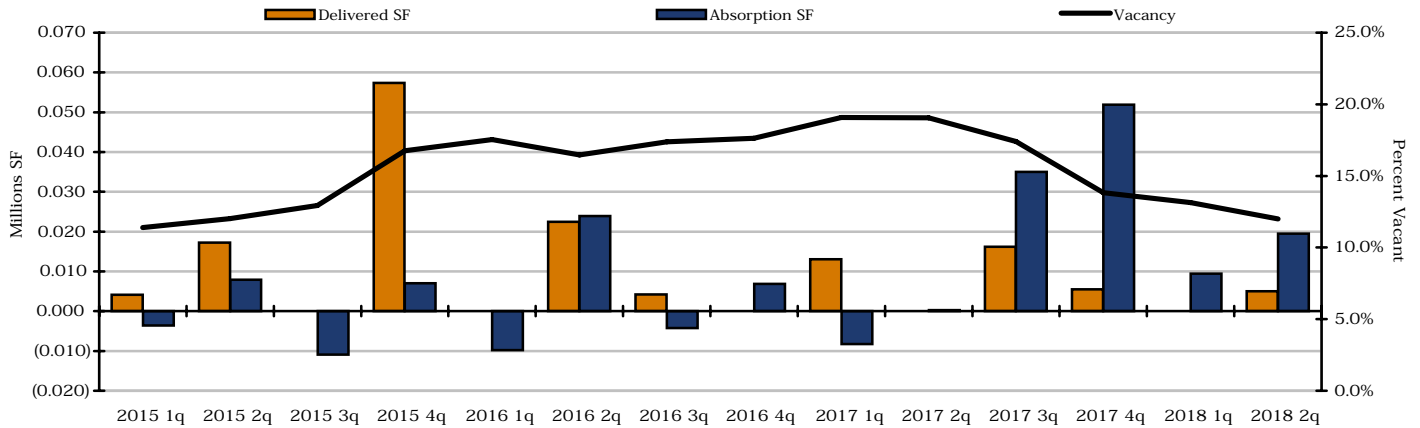
Houston Office Market

Outlying Montgomery Cnty Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

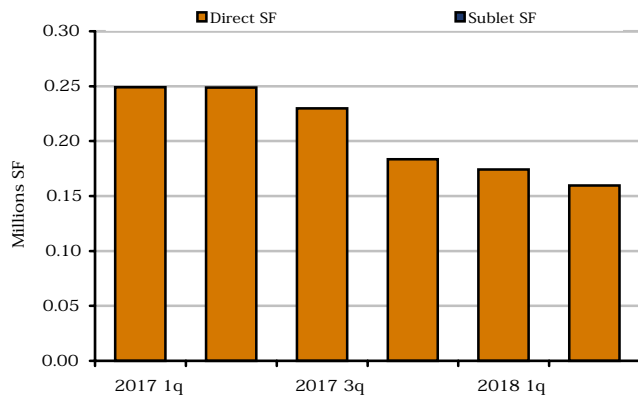
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

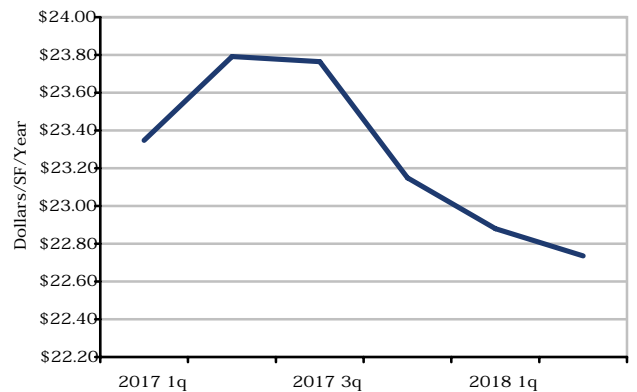
Historical Analysis, All Classes



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 2q	184	1,331,457	159,632	12.0%	19,513	1	5,000	2	29,052	\$22.74
2018 1q	183	1,326,457	174,145	13.1%	9,400	0	0	2	26,952	\$22.88
2017 4q	183	1,326,457	183,545	13.8%	51,884	1	5,500	1	5,000	\$23.15
2017 3q	182	1,320,957	229,929	17.4%	35,048	2	16,200	1	5,500	\$23.76
2017 2q	180	1,304,757	248,777	19.1%	244	0	0	2	16,200	\$23.79
2017 1q	180	1,304,757	249,021	19.1%	(8,247)	1	13,080	2	16,200	\$23.35
2016 4q	179	1,291,677	227,694	17.6%	6,863	0	0	1	13,080	\$22.13
2016 3q	178	1,279,677	222,557	17.4%	(4,235)	1	4,200	2	25,080	\$22.01
2016 2q	176	1,270,477	209,122	16.5%	23,918	2	22,448	3	21,200	\$22.12
2016 1q	175	1,258,029	220,592	17.5%	(9,820)	0	0	5	43,648	\$22.41
2015 4q	175	1,258,029	210,772	16.8%	6,995	2	57,350	3	27,448	\$22.54
2015 3q	172	1,194,679	154,417	12.9%	(10,895)	0	0	5	85,798	\$22.46
2015 2q	172	1,194,679	143,522	12.0%	7,891	1	17,223	5	85,798	\$22.56
2015 1q	171	1,177,456	134,190	11.4%	(3,567)	1	4,124	5	87,923	\$23.66
2014 4q	170	1,173,332	126,499	10.8%	26,076	0	0	5	86,047	\$23.79
2014 3q	170	1,173,332	152,575	13.0%	(459)	0	0	5	86,047	\$24.76

Source: CoStar Property®

Houston Office Market

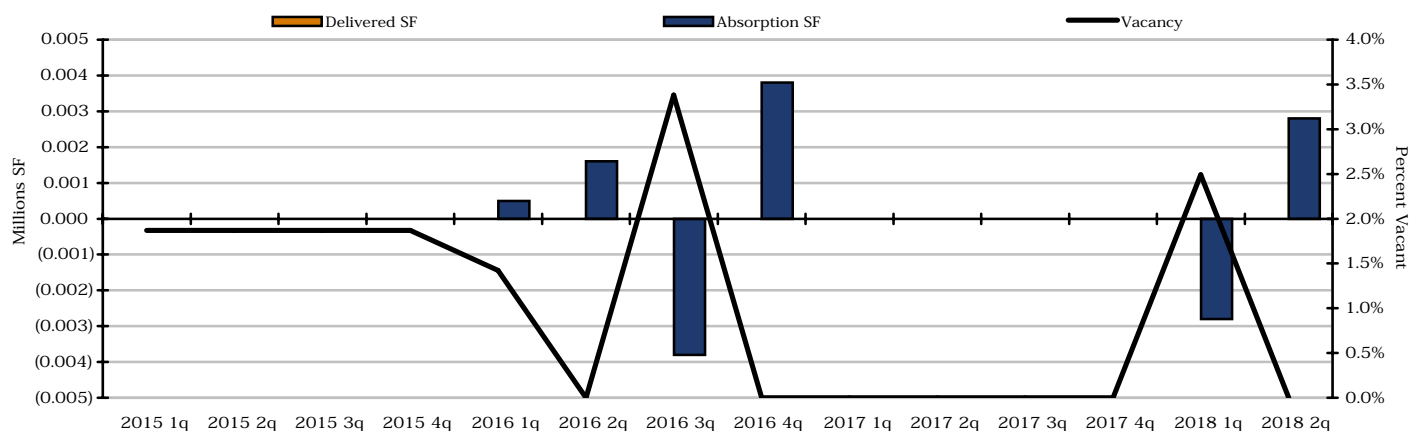


Outlying Waller County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

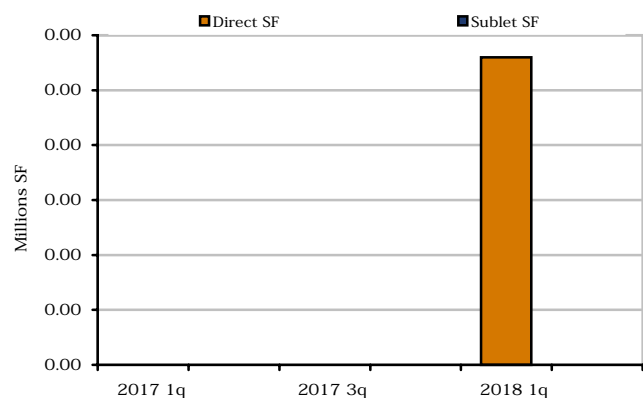
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

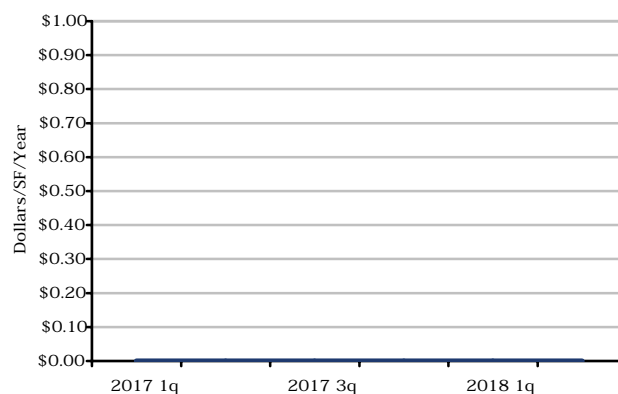
Historical Analysis, All Classes



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 2q	21	112,391	0	0.0%	2,800	0	0	0	0	\$0.00
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

Source: CoStar Property®



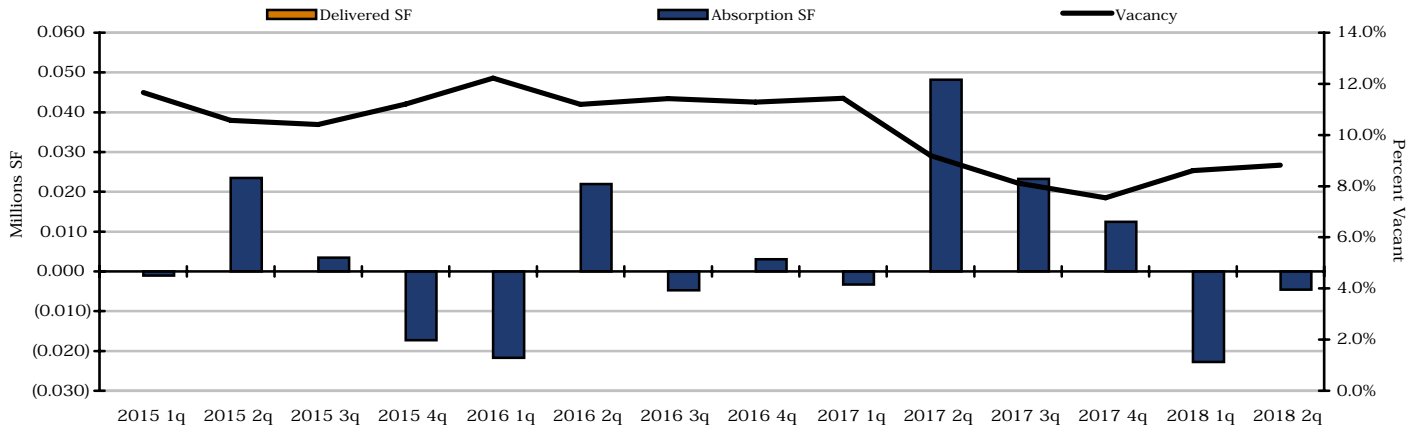
Houston Office Market

Richmond / Fountainview Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

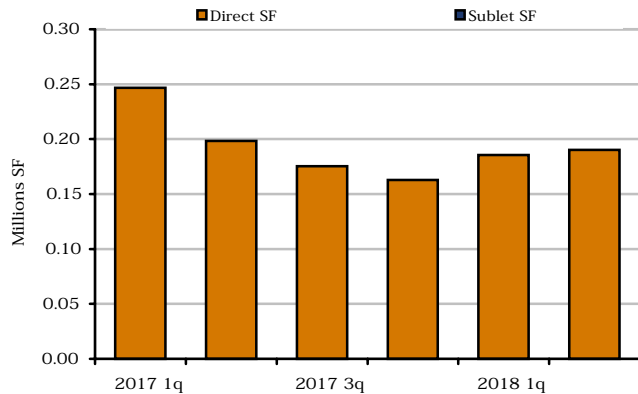
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

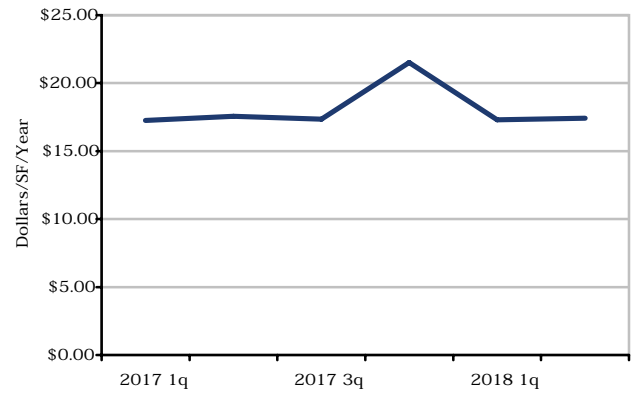
Historical Analysis, All Classes



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 2q	115	2,157,383	190,204	8.8%	(4,611)	0	0	0	0	\$17.43
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

Source: CoStar Property®

Houston Office Market

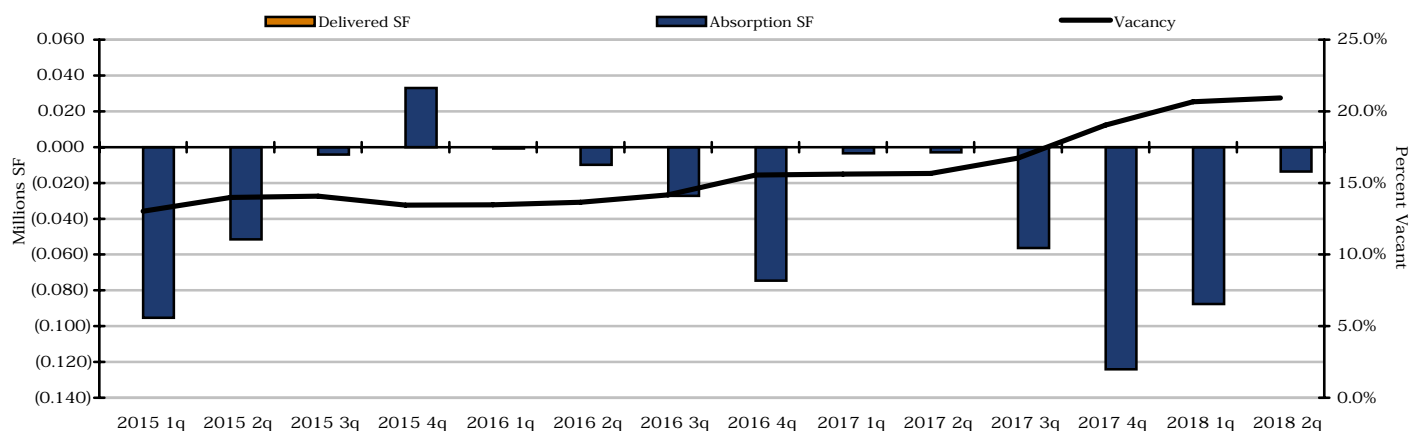


San Felipe / Voss Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

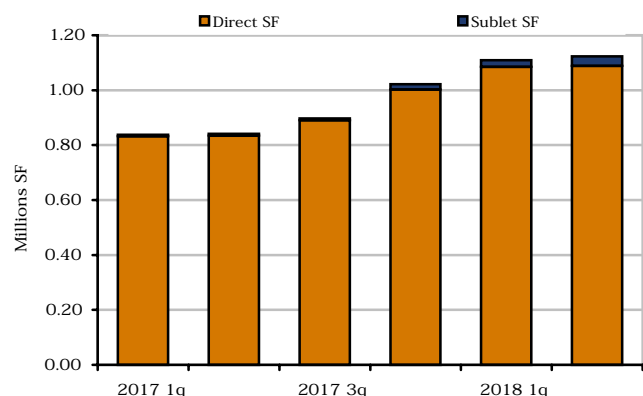
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

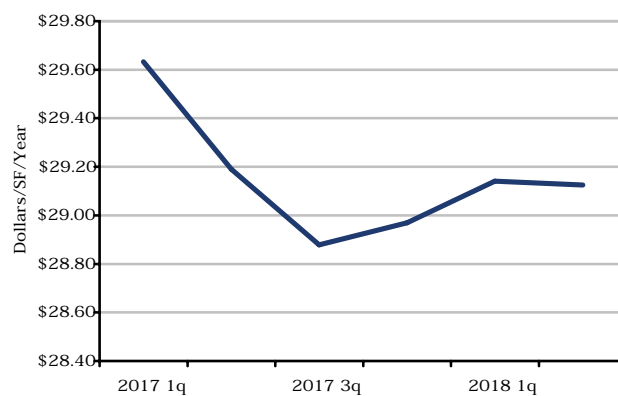
Historical Analysis, All Classes



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 2q	51	5,366,394	1,122,822	20.9%	(13,667)	0	0	0	0	\$29.12
2018 1q	51	5,366,394	1,109,155	20.7%	(87,588)	0	0	0	0	\$29.14
2017 4q	51	5,366,394	1,021,567	19.0%	(124,159)	0	0	0	0	\$28.97
2017 3q	51	5,366,394	897,408	16.7%	(56,365)	0	0	0	0	\$28.88
2017 2q	51	5,366,394	841,043	15.7%	(2,962)	0	0	0	0	\$29.19
2017 1q	51	5,366,394	838,081	15.6%	(3,477)	0	0	0	0	\$29.63
2016 4q	51	5,366,394	834,604	15.6%	(74,499)	0	0	0	0	\$29.75
2016 3q	51	5,366,394	760,105	14.2%	(27,305)	0	0	0	0	\$29.99
2016 2q	51	5,366,394	732,800	13.7%	(9,924)	0	0	0	0	\$30.15
2016 1q	51	5,366,394	722,876	13.5%	(753)	0	0	0	0	\$29.31
2015 4q	51	5,366,394	722,123	13.5%	32,963	0	0	0	0	\$30.34
2015 3q	51	5,366,394	755,086	14.1%	(4,119)	0	0	0	0	\$30.97
2015 2q	51	5,366,394	750,967	14.0%	(51,617)	0	0	0	0	\$30.49
2015 1q	51	5,366,394	699,350	13.0%	(95,257)	0	0	0	0	\$30.22
2014 4q	51	5,366,394	604,093	11.3%	(36,778)	0	0	0	0	\$29.84
2014 3q	51	5,366,394	567,315	10.6%	(4,794)	0	0	0	0	\$29.64

Source: CoStar Property®



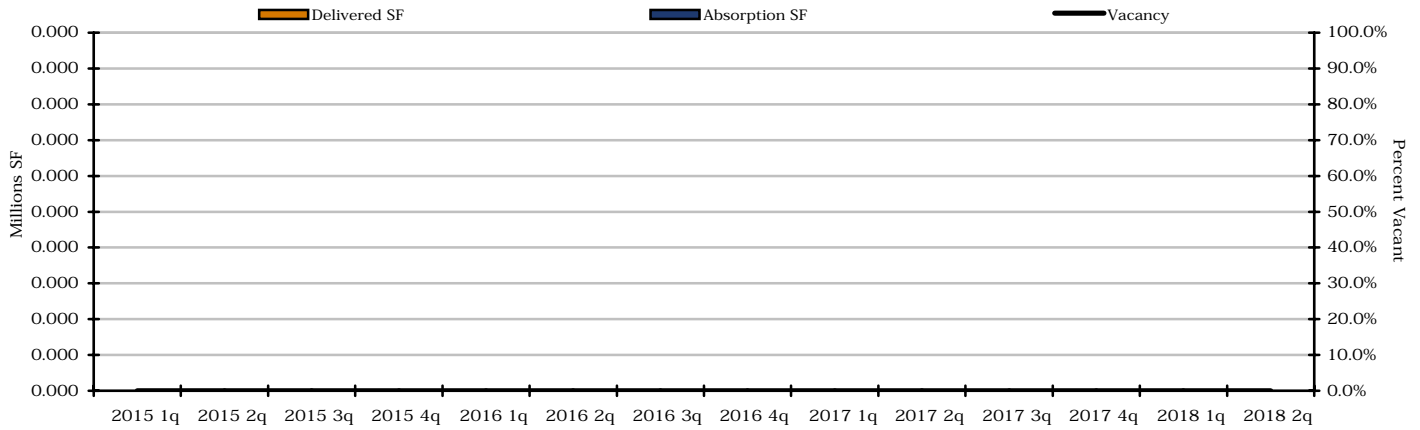
Houston Office Market

San Jacinto County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

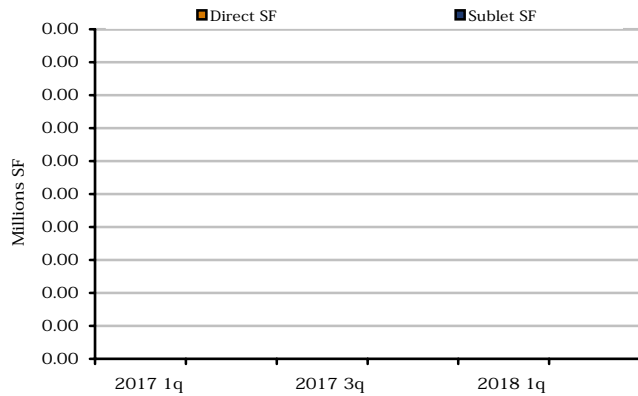
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

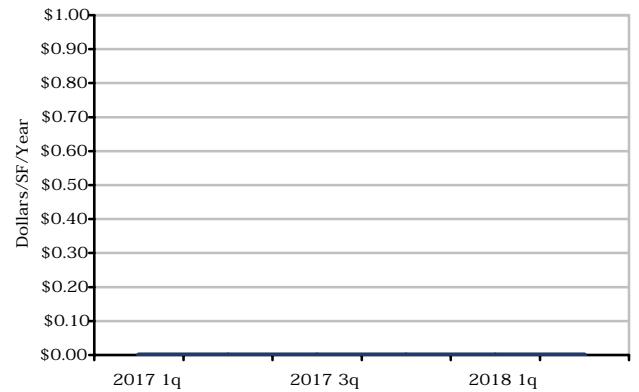
Historical Analysis, All Classes



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 2q	3	39,139	0	0.0%	0	0	0	0	0	\$0.00
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

Source: CoStar Property®

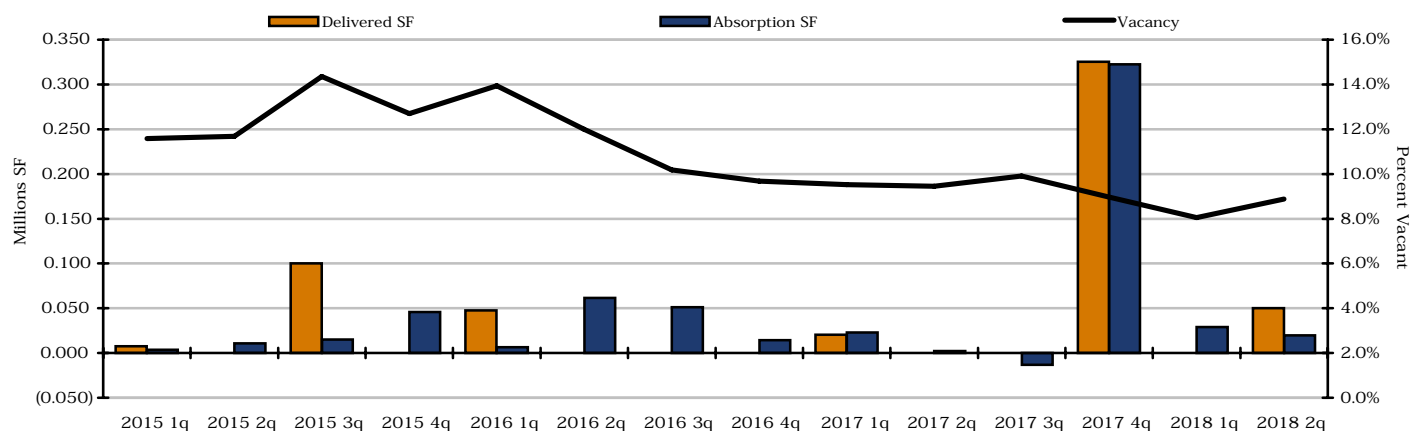
Houston Office Market



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

Deliveries, Absorption & Vacancy

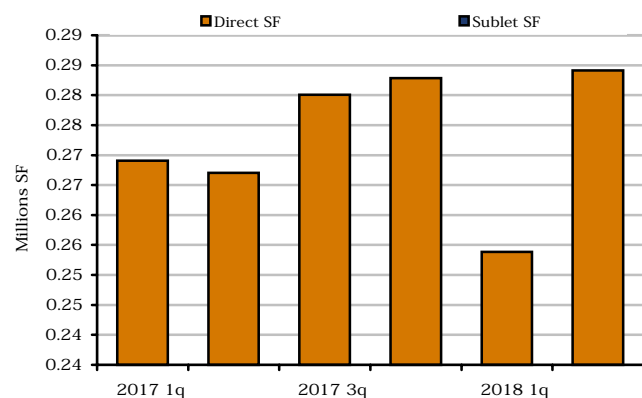
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

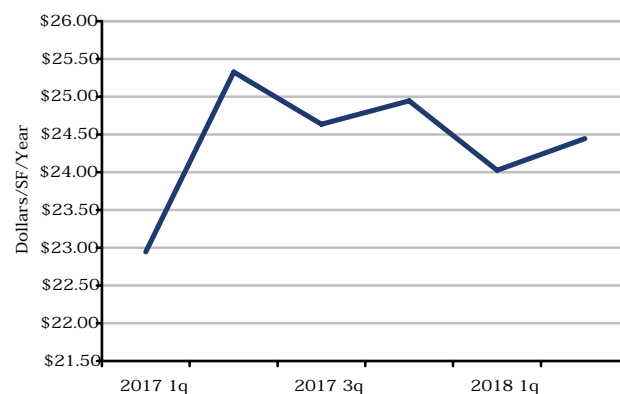
Historical Analysis, All Classes



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 2q	254	3,202,635	284,149	8.9%	19,698	1	50,000	0	0	\$24.45
2018 1q	253	3,152,635	253,847	8.1%	28,978	0	0	1	50,000	\$24.03
2017 4q	253	3,152,635	282,825	9.0%	322,475	2	325,225	1	50,000	\$24.95
2017 3q	251	2,827,410	280,075	9.9%	(13,027)	0	0	3	375,225	\$24.63
2017 2q	251	2,827,410	267,048	9.4%	2,025	0	0	3	375,225	\$25.33
2017 1q	251	2,827,410	269,073	9.5%	22,982	2	20,394	3	375,225	\$22.94
2016 4q	249	2,807,016	271,661	9.7%	14,253	0	0	3	297,164	\$22.27
2016 3q	249	2,807,016	285,914	10.2%	51,006	0	0	3	297,164	\$22.46
2016 2q	249	2,807,016	336,920	12.0%	61,482	0	0	3	297,164	\$25.71
2016 1q	248	2,798,616	390,002	13.9%	6,631	1	47,500	1	8,400	\$23.18
2015 4q	247	2,751,116	349,133	12.7%	45,715	0	0	2	55,900	\$23.57
2015 3q	247	2,751,116	394,848	14.4%	14,962	1	100,000	2	55,900	\$23.55
2015 2q	246	2,651,116	309,810	11.7%	10,839	0	0	2	147,500	\$25.24
2015 1q	244	2,635,798	305,331	11.6%	3,571	1	7,700	3	115,318	\$24.49
2014 4q	243	2,628,098	301,202	11.5%	21,949	0	0	4	123,018	\$24.35
2014 3q	243	2,628,098	323,151	12.3%	(4,321)	0	0	4	123,018	\$22.82

Source: CoStar Property®



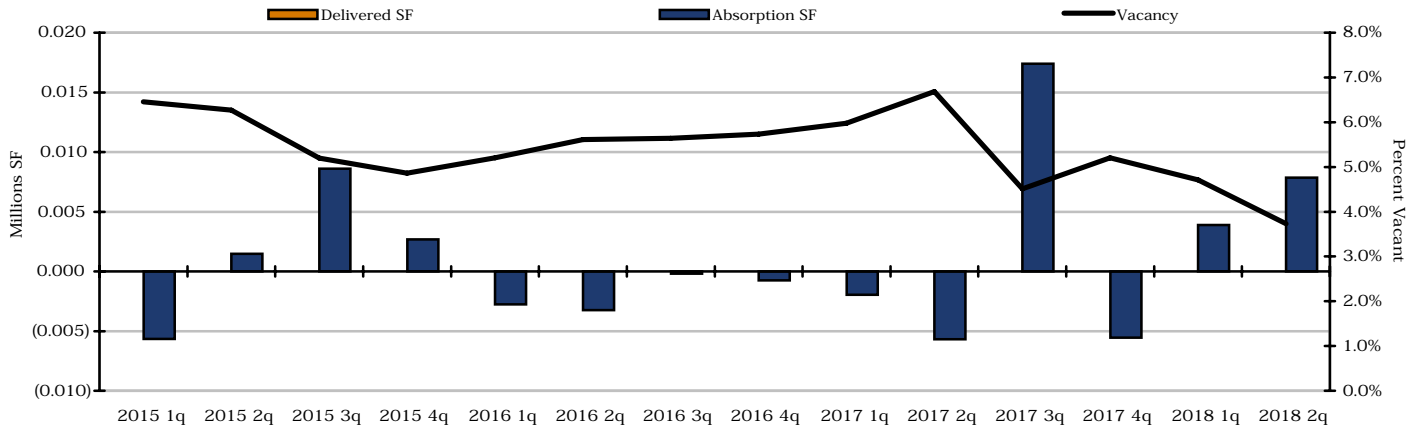
Houston Office Market

South Hwy 35 Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

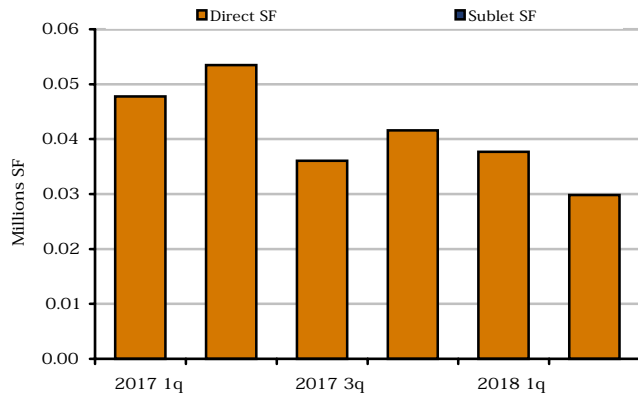
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

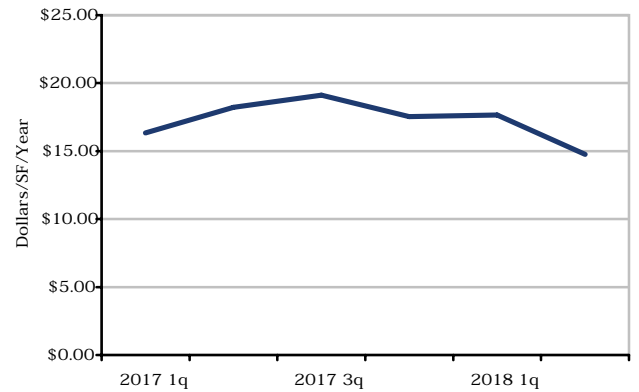
Historical Analysis, All Classes



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 2q	149	799,583	29,832	3.7%	7,863	0	0	1	15,000	\$14.76
2018 1q	149	799,583	37,695	4.7%	3,898	0	0	1	15,000	\$17.66
2017 4q	149	799,583	41,593	5.2%	(5,542)	0	0	0	0	\$17.53
2017 3q	149	799,583	36,051	4.5%	17,412	0	0	0	0	\$19.11
2017 2q	149	799,583	53,463	6.7%	(5,674)	0	0	0	0	\$18.23
2017 1q	149	799,583	47,789	6.0%	(1,959)	0	0	0	0	\$16.34
2016 4q	149	799,583	45,830	5.7%	(743)	0	0	0	0	\$16.26
2016 3q	149	799,583	45,087	5.6%	(194)	0	0	0	0	\$15.10
2016 2q	149	799,583	44,893	5.6%	(3,251)	0	0	0	0	\$13.45
2016 1q	149	799,583	41,642	5.2%	(2,757)	0	0	0	0	\$15.16
2015 4q	149	799,583	38,885	4.9%	2,670	0	0	0	0	\$16.38
2015 3q	149	799,583	41,555	5.2%	8,600	0	0	0	0	\$15.38
2015 2q	149	799,583	50,155	6.3%	1,486	0	0	0	0	\$15.16
2015 1q	149	799,583	51,641	6.5%	(5,670)	0	0	0	0	\$15.86
2014 4q	149	799,583	45,971	5.7%	(4,039)	0	0	0	0	\$16.86
2014 3q	149	799,583	41,932	5.2%	(17,468)	0	0	0	0	\$16.89

Source: CoStar Property®

Houston Office Market

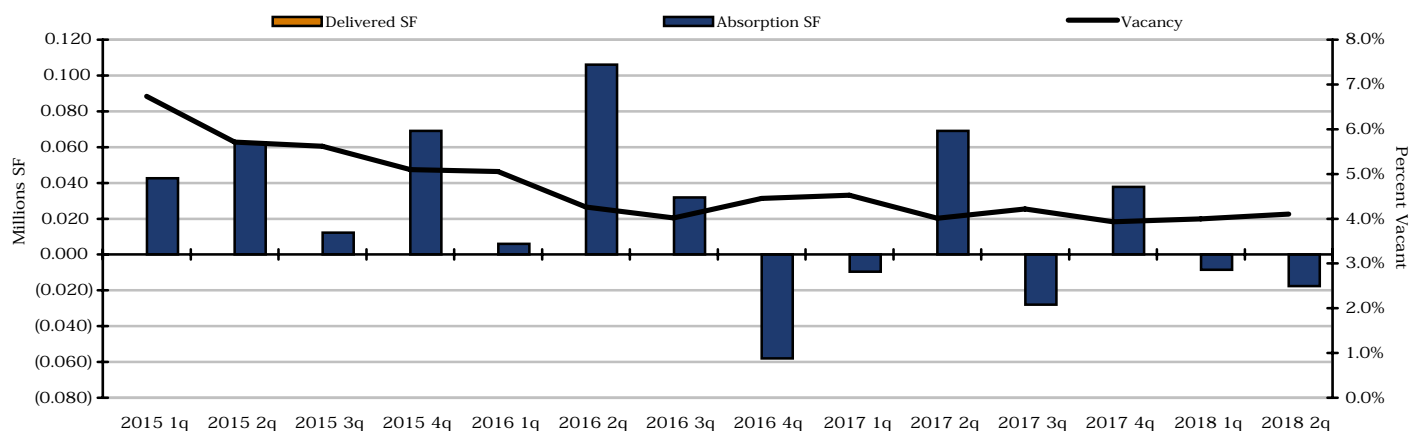


South Main / Medical Center Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

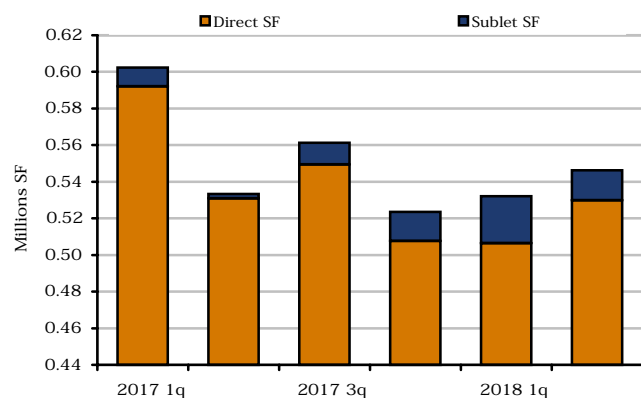
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

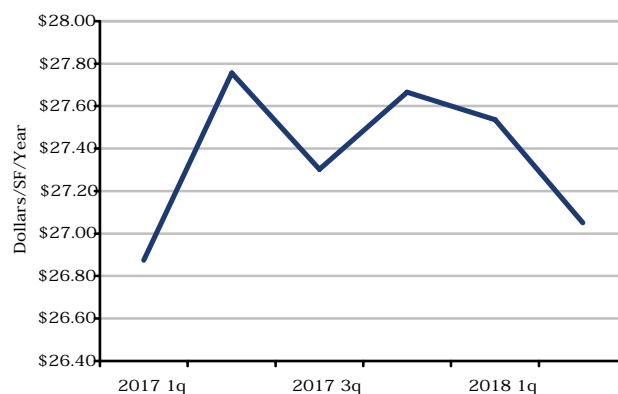
Historical Analysis, All Classes



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 2q	236	13,304,494	546,295	4.1%	(17,700)	0	0	0	0	\$27.05
2018 1q	237	13,307,994	532,095	4.0%	(8,530)	0	0	0	0	\$27.54
2017 4q	237	13,307,994	523,565	3.9%	37,732	0	0	0	0	\$27.67
2017 3q	237	13,307,994	561,297	4.2%	(28,008)	0	0	0	0	\$27.30
2017 2q	237	13,307,994	533,289	4.0%	69,039	0	0	0	0	\$27.76
2017 1q	237	13,307,994	602,328	4.5%	(9,658)	0	0	0	0	\$26.87
2016 4q	237	13,307,994	592,670	4.5%	(58,022)	0	0	0	0	\$26.50
2016 3q	237	13,307,994	534,648	4.0%	31,927	0	0	0	0	\$26.45
2016 2q	237	13,307,994	566,575	4.3%	106,146	0	0	0	0	\$26.34
2016 1q	237	13,307,994	672,721	5.1%	5,905	0	0	0	0	\$26.60
2015 4q	237	13,307,994	678,626	5.1%	69,061	0	0	0	0	\$26.71
2015 3q	237	13,307,994	747,687	5.6%	12,237	0	0	0	0	\$26.41
2015 2q	237	13,307,994	759,924	5.7%	62,651	0	0	0	0	\$26.64
2015 1q	238	13,387,327	901,908	6.7%	42,528	0	0	0	0	\$26.22
2014 4q	238	13,387,327	944,436	7.1%	21,161	0	0	0	0	\$26.62
2014 3q	238	13,387,327	965,597	7.2%	33,858	1	50,000	0	0	\$24.96

Source: CoStar Property®



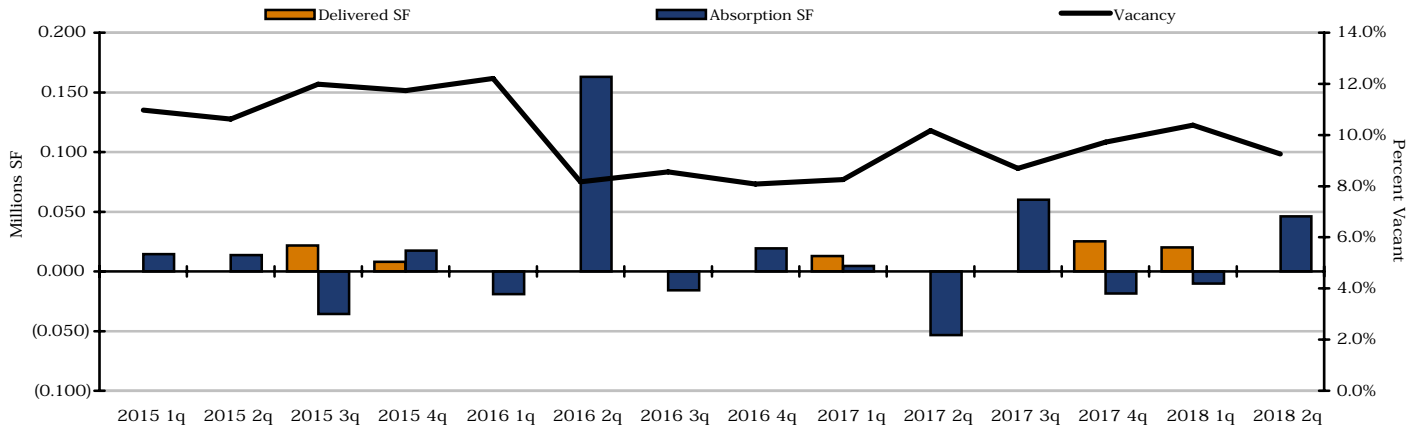
Houston Office Market

Southeast Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

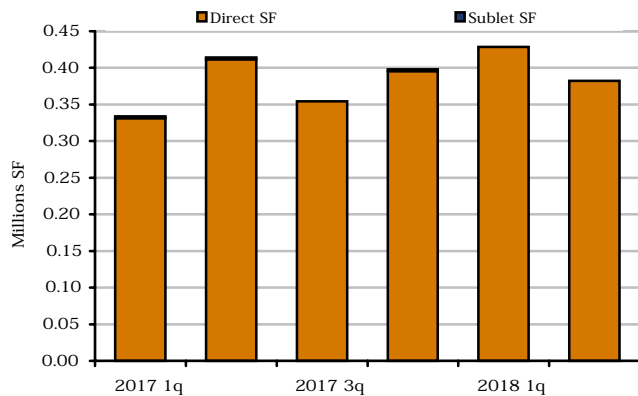
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

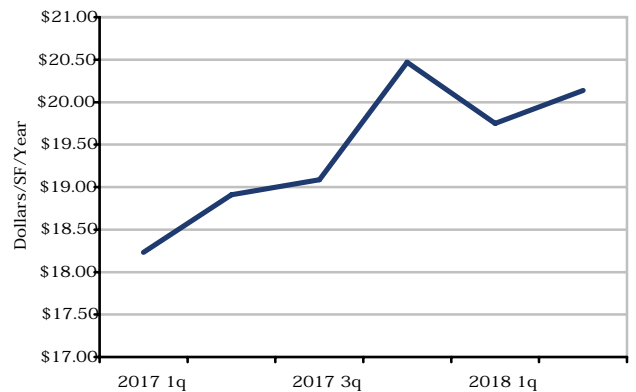
Historical Analysis, All Classes



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 2q	345	4,126,918	382,235	9.3%	46,164	0	0	1	15,000	\$20.14
2018 1q	345	4,126,918	428,399	10.4%	(10,281)	2	20,070	0	0	\$19.75
2017 4q	342	4,097,101	398,048	9.7%	(18,618)	1	25,120	2	20,070	\$20.47
2017 3q	341	4,071,981	354,310	8.7%	60,031	0	0	3	45,190	\$19.09
2017 2q	341	4,071,981	414,341	10.2%	(53,414)	0	0	3	45,190	\$18.91
2017 1q	340	4,044,903	333,849	8.3%	4,626	3	12,743	3	62,268	\$18.23
2016 4q	337	4,032,160	325,732	8.1%	19,204	0	0	5	64,941	\$19.08
2016 3q	337	4,032,160	344,936	8.6%	(15,760)	0	0	3	35,021	\$19.98
2016 2q	337	4,032,160	329,176	8.2%	162,986	0	0	3	35,021	\$20.20
2016 1q	337	4,032,160	492,162	12.2%	(18,939)	0	0	1	27,078	\$19.62
2015 4q	337	4,032,160	473,223	11.7%	17,323	1	8,000	1	27,078	\$18.30
2015 3q	336	4,024,160	482,546	12.0%	(35,569)	2	21,780	2	35,078	\$18.54
2015 2q	334	4,002,380	425,197	10.6%	13,753	0	0	3	48,858	\$19.31
2015 1q	334	4,002,380	438,950	11.0%	14,456	0	0	2	21,780	\$19.50
2014 4q	334	4,002,380	453,406	11.3%	10,648	0	0	2	21,780	\$19.62
2014 3q	334	4,002,380	464,054	11.6%	(5,403)	0	0	1	1,748	\$18.94

Source: CoStar Property®

Houston Office Market

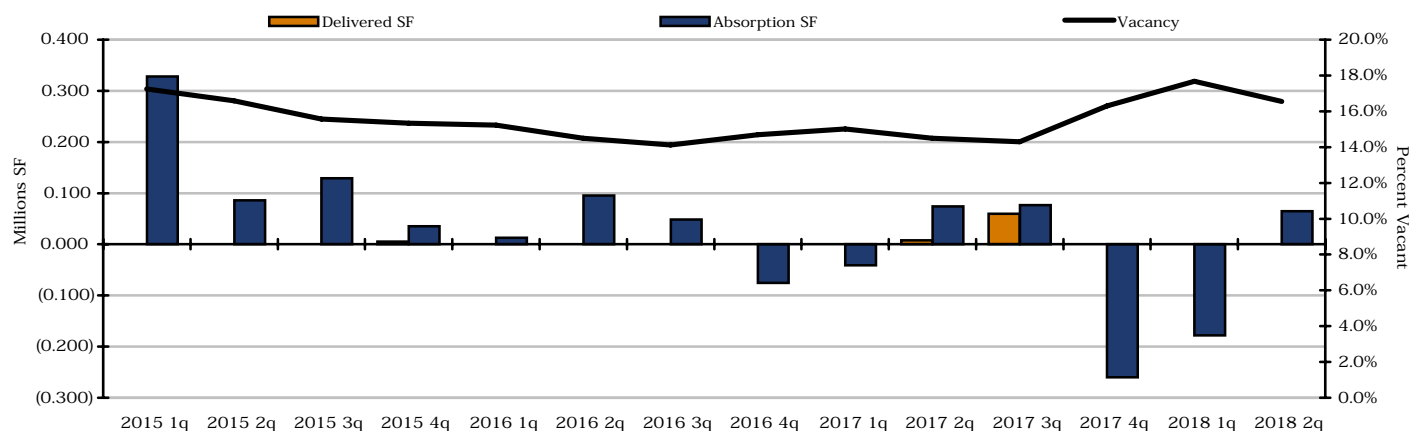


Southwest Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

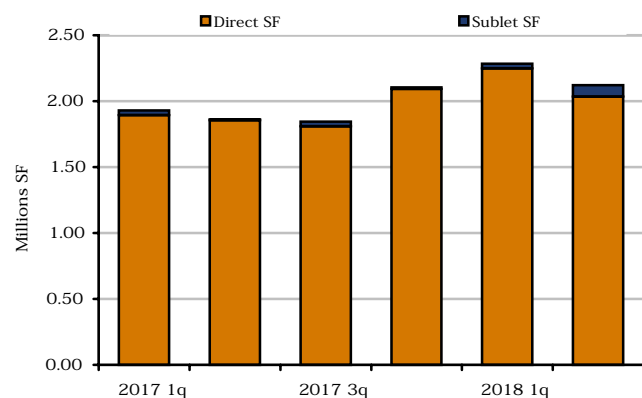
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

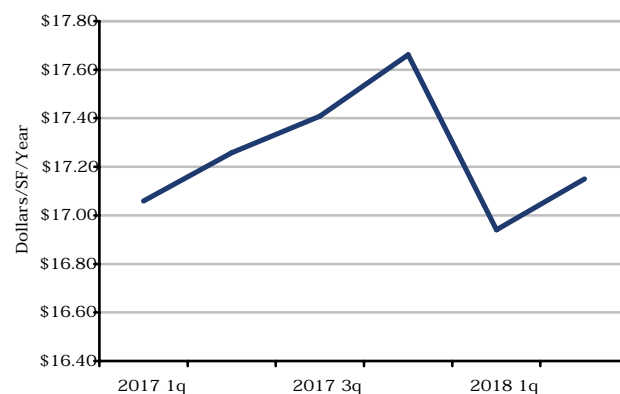
Historical Analysis, All Classes



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 2q	299	12,824,399	2,122,318	16.5%	64,426	0	0	0	0	\$17.15
2018 1q	301	12,920,873	2,283,218	17.7%	(178,025)	0	0	0	0	\$16.94
2017 4q	300	12,911,081	2,105,193	16.3%	(259,904)	0	0	0	0	\$17.66
2017 3q	300	12,911,081	1,845,289	14.3%	76,848	1	60,000	0	0	\$17.41
2017 2q	299	12,851,081	1,862,137	14.5%	74,321	1	7,600	1	60,000	\$17.26
2017 1q	298	12,843,481	1,928,858	15.0%	(40,899)	0	0	2	67,600	\$17.06
2016 4q	298	12,843,481	1,887,959	14.7%	(75,348)	0	0	2	67,600	\$17.14
2016 3q	298	12,843,481	1,812,611	14.1%	48,200	0	0	2	67,600	\$16.77
2016 2q	298	12,843,481	1,860,811	14.5%	95,487	0	0	2	67,600	\$16.68
2016 1q	298	12,843,481	1,956,298	15.2%	12,847	0	0	1	60,000	\$16.54
2015 4q	298	12,843,481	1,969,145	15.3%	35,602	1	5,000	0	0	\$16.27
2015 3q	297	12,838,481	1,999,747	15.6%	129,344	0	0	1	5,000	\$16.25
2015 2q	297	12,838,481	2,129,091	16.6%	85,753	0	0	1	5,000	\$16.04
2015 1q	297	12,838,481	2,214,844	17.3%	328,261	0	0	1	5,000	\$15.92
2014 4q	298	12,917,369	2,621,993	20.3%	123,755	0	0	0	0	\$15.60
2014 3q	298	12,917,369	2,745,748	21.3%	(92,631)	0	0	0	0	\$16.07

Source: CoStar Property®



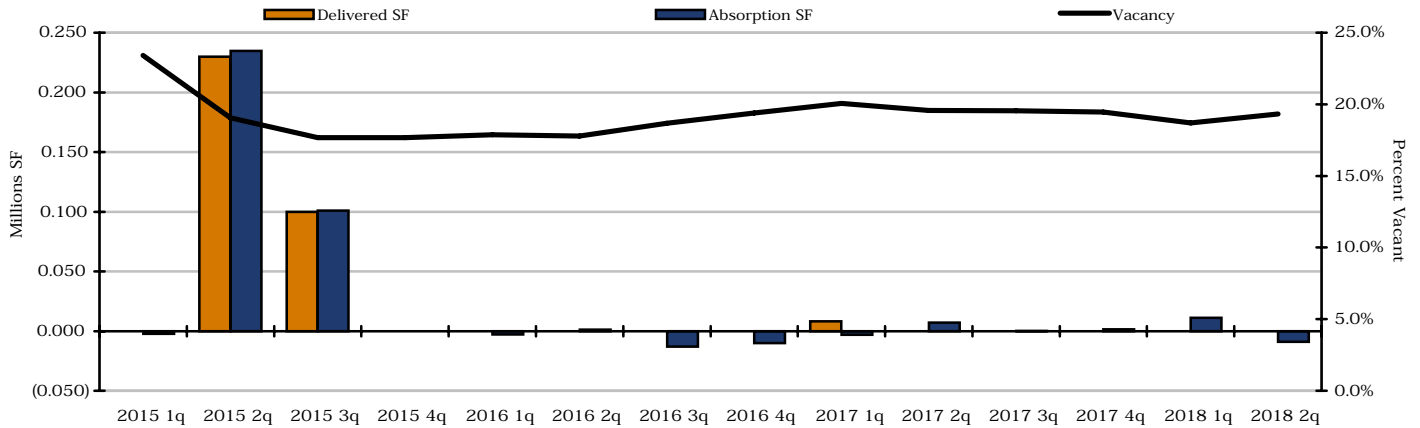
Houston Office Market

Southwest Far Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

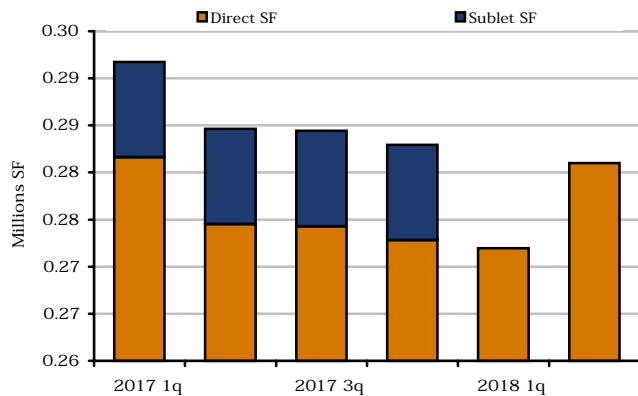
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

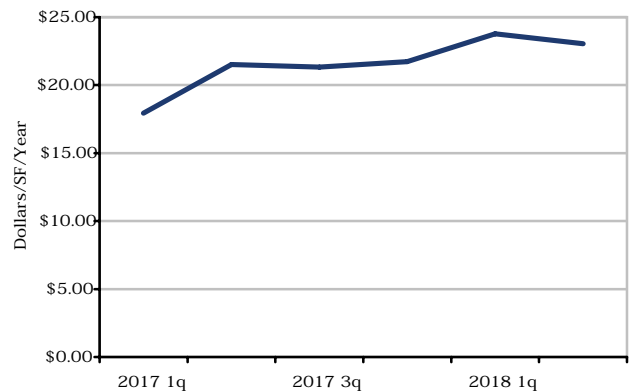
Historical Analysis, All Classes



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 2q	92	1,454,749	281,000	19.3%	(9,053)	0	0	0	0	\$23.04
2018 1q	92	1,454,749	271,947	18.7%	11,006	0	0	0	0	\$23.77
2017 4q	92	1,454,749	282,953	19.5%	1,470	0	0	0	0	\$21.73
2017 3q	92	1,454,749	284,423	19.6%	210	0	0	0	0	\$21.33
2017 2q	92	1,454,749	284,633	19.6%	7,102	0	0	0	0	\$21.51
2017 1q	92	1,454,749	291,735	20.1%	(3,184)	1	8,066	0	0	\$17.94
2016 4q	91	1,446,683	280,485	19.4%	(10,180)	0	0	1	8,066	\$17.53
2016 3q	91	1,446,683	270,305	18.7%	(13,089)	0	0	1	8,066	\$17.19
2016 2q	91	1,446,683	257,216	17.8%	1,307	0	0	1	8,066	\$20.97
2016 1q	91	1,446,683	258,523	17.9%	(2,770)	0	0	0	0	\$19.80
2015 4q	91	1,446,683	255,753	17.7%	(150)	0	0	0	0	\$19.58
2015 3q	91	1,446,683	255,603	17.7%	101,000	1	100,000	0	0	\$20.15
2015 2q	90	1,346,683	256,603	19.1%	234,828	1	230,000	1	100,000	\$19.90
2015 1q	89	1,116,683	261,431	23.4%	(2,400)	0	0	2	330,000	\$20.93
2014 4q	89	1,116,683	259,031	23.2%	70,470	0	0	2	330,000	\$20.48
2014 3q	89	1,116,683	329,501	29.5%	10,400	1	14,000	2	330,000	\$20.56

Source: CoStar Property®

Houston Office Market

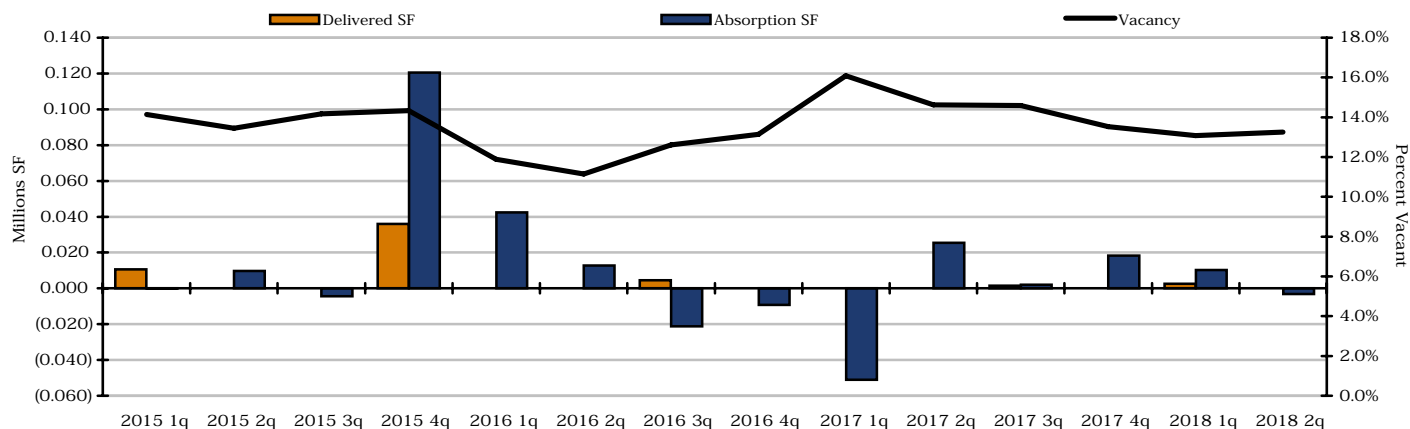


Southwest Outlier Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

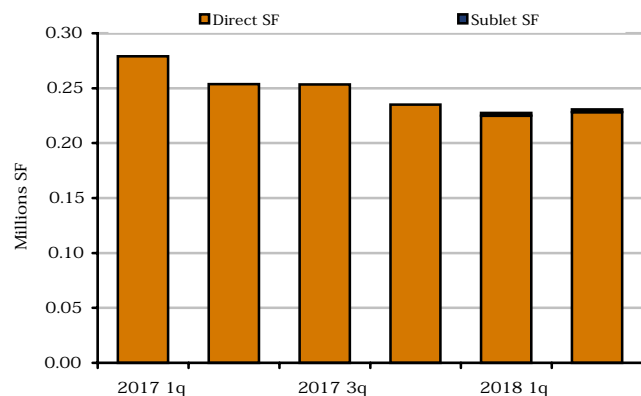
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

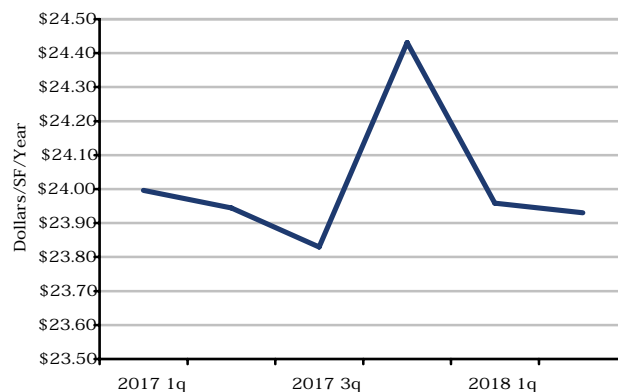
Historical Analysis, All Classes



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 2q	205	1,739,226	230,663	13.3%	(3,237)	0	0	1	1,200	\$23.93
2018 1q	205	1,739,226	227,426	13.1%	10,266	1	2,645	1	1,200	\$23.96
2017 4q	204	1,736,581	235,047	13.5%	18,225	0	0	2	3,845	\$24.43
2017 3q	204	1,736,581	253,272	14.6%	1,963	1	1,572	1	1,200	\$23.83
2017 2q	203	1,735,009	253,663	14.6%	25,433	0	0	2	2,772	\$23.94
2017 1q	203	1,735,009	279,096	16.1%	(51,047)	0	0	1	1,572	\$24.00
2016 4q	203	1,735,009	228,049	13.1%	(9,271)	0	0	0	0	\$23.83
2016 3q	203	1,735,009	218,778	12.6%	(21,186)	2	4,577	0	0	\$23.45
2016 2q	201	1,730,432	193,015	11.2%	12,780	0	0	2	4,577	\$22.39
2016 1q	201	1,730,432	205,795	11.9%	42,327	0	0	2	4,577	\$22.62
2015 4q	201	1,730,432	248,122	14.3%	120,524	1	36,000	0	0	\$25.29
2015 3q	198	1,586,570	224,784	14.2%	(4,458)	0	0	3	143,862	\$24.74
2015 2q	197	1,578,570	212,326	13.5%	9,625	0	0	4	151,862	\$24.70
2015 1q	198	1,580,070	223,451	14.1%	(186)	3	10,599	3	115,862	\$24.68
2014 4q	195	1,569,471	212,666	13.6%	(1,287)	1	12,000	5	117,461	\$24.87
2014 3q	194	1,557,471	199,379	12.8%	6,819	0	0	3	21,375	\$23.98

Source: CoStar Property®



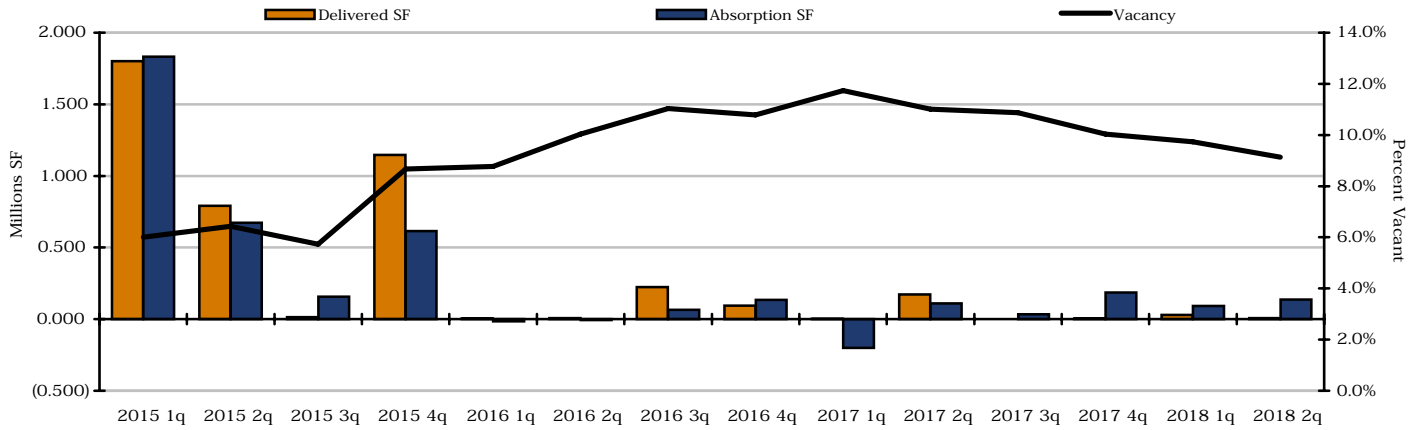
Houston Office Market

The Woodlands Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

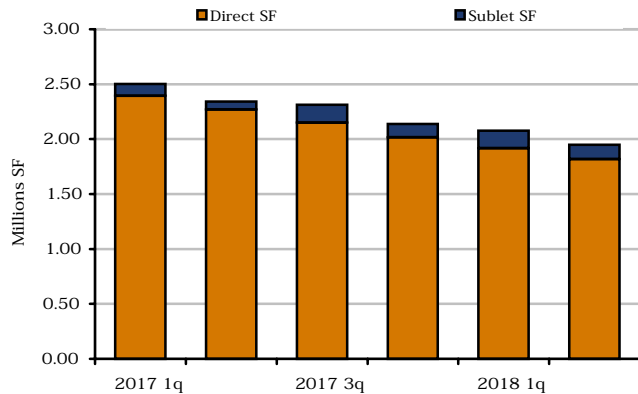
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

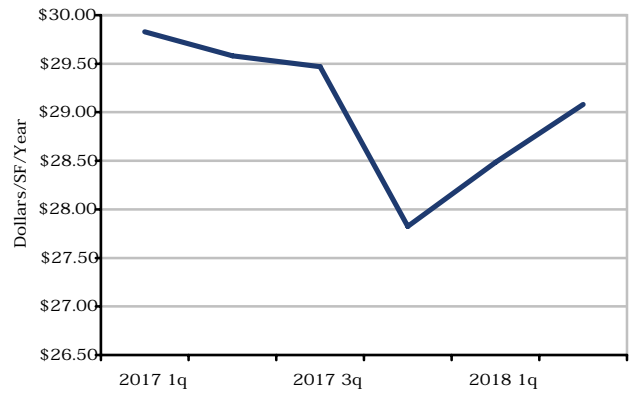
Historical Analysis, All Classes



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 2q	615	21,330,442	1,947,597	9.1%	135,999	1	8,000	7	926,800	\$29.08
2018 1q	614	21,322,442	2,075,596	9.7%	92,106	3	29,900	6	775,300	\$28.49
2017 4q	611	21,292,542	2,137,802	10.0%	185,701	1	5,835	9	805,200	\$27.83
2017 3q	609	21,282,007	2,312,968	10.9%	34,668	0	0	8	781,235	\$29.47
2017 2q	608	21,277,507	2,343,136	11.0%	110,617	1	171,996	5	351,835	\$29.58
2017 1q	606	21,325,692	2,501,938	11.7%	(199,548)	1	2,001	6	531,299	\$29.83
2016 4q	605	21,323,691	2,300,389	10.8%	135,352	11	94,238	6	206,500	\$29.36
2016 3q	594	21,229,453	2,341,503	11.0%	65,472	5	223,465	16	296,238	\$29.76
2016 2q	586	20,920,507	2,098,029	10.0%	(6,004)	1	7,000	20	575,180	\$29.83
2016 1q	581	20,638,537	1,810,055	8.8%	(16,075)	1	4,900	21	641,954	\$30.18
2015 4q	580	20,633,637	1,789,080	8.7%	614,792	5	1,145,993	17	613,562	\$29.90
2015 3q	574	19,337,644	1,107,879	5.7%	156,741	1	13,384	14	1,792,958	\$30.85
2015 2q	572	19,314,260	1,241,236	6.4%	672,919	6	790,300	15	1,801,582	\$30.12
2015 1q	564	18,512,410	1,112,305	6.0%	1,831,574	16	1,801,898	20	2,391,697	\$28.61
2014 4q	548	16,710,512	1,141,981	6.8%	1,763,981	14	1,909,679	31	3,776,225	\$28.94
2014 3q	533	14,794,833	990,283	6.7%	618,954	10	427,179	41	5,633,905	\$29.93

Source: CoStar Property®

Houston Office Market

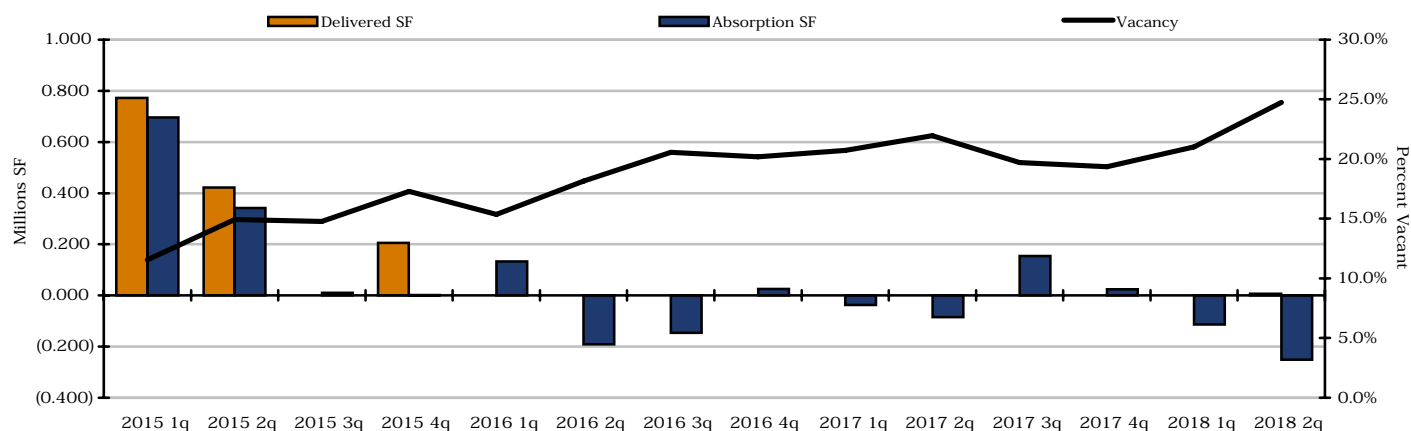


West Belt Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

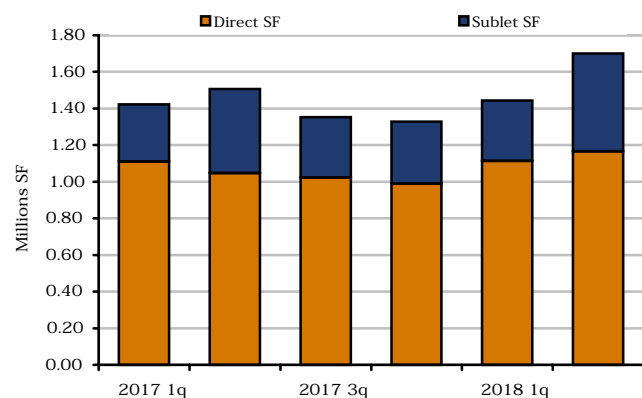
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

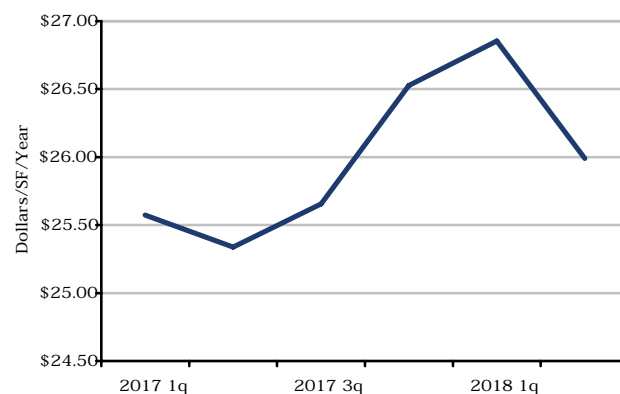
Historical Analysis, All Classes



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 2q	106	6,870,693	1,700,065	24.7%	(251,381)	1	6,000	2	11,500	\$25.99
2018 1q	105	6,864,693	1,442,684	21.0%	(113,923)	0	0	3	17,500	\$26.85
2017 4q	105	6,864,693	1,328,761	19.4%	23,808	0	0	3	17,500	\$26.53
2017 3q	105	6,864,693	1,352,569	19.7%	154,337	0	0	1	5,500	\$25.66
2017 2q	105	6,864,693	1,506,906	22.0%	(84,300)	0	0	1	5,500	\$25.34
2017 1q	105	6,864,693	1,422,606	20.7%	(37,046)	0	0	0	0	\$25.57
2016 4q	105	6,864,693	1,385,560	20.2%	25,613	0	0	0	0	\$25.21
2016 3q	105	6,864,693	1,411,173	20.6%	(145,723)	0	0	0	0	\$24.34
2016 2q	104	6,840,693	1,241,450	18.1%	(190,643)	0	0	1	24,000	\$25.60
2016 1q	104	6,840,693	1,050,807	15.4%	132,857	0	0	1	24,000	\$27.11
2015 4q	104	6,840,693	1,183,664	17.3%	1,933	1	205,167	1	24,000	\$27.52
2015 3q	103	6,635,526	980,430	14.8%	10,152	0	0	1	205,167	\$27.40
2015 2q	103	6,635,526	990,582	14.9%	341,525	2	422,053	1	205,167	\$27.39
2015 1q	100	5,996,973	693,554	11.6%	696,105	2	771,960	4	843,720	\$27.90
2014 4q	98	5,225,013	617,699	11.8%	(17,216)	0	0	6	1,615,680	\$27.51
2014 3q	98	5,225,013	600,483	11.5%	(13,590)	1	2,100	5	1,410,513	\$27.52

Source: CoStar Property®



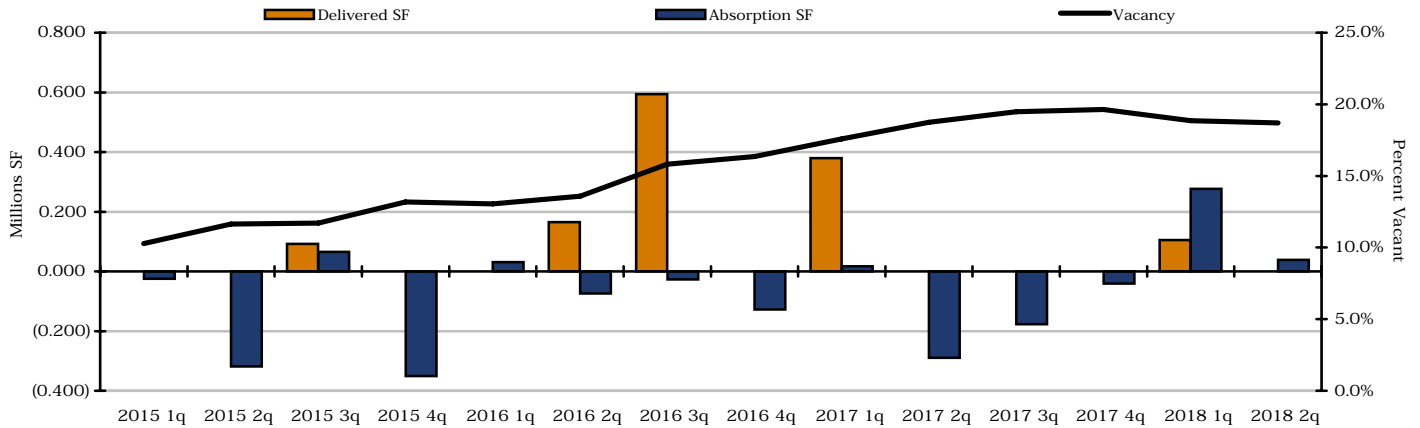
Houston Office Market

West Loop Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

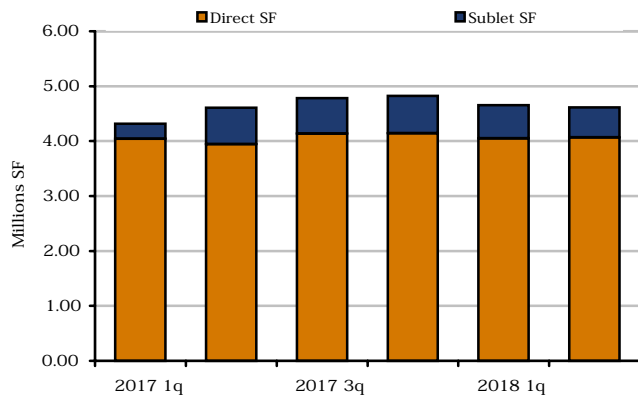
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

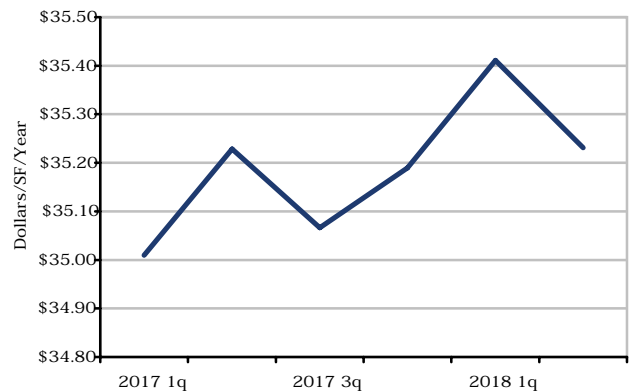
Historical Analysis, All Classes



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 2q	133	24,665,133	4,613,369	18.7%	38,174	0	0	0	0	\$35.23
2018 1q	133	24,665,133	4,651,543	18.9%	276,503	1	104,579	0	0	\$35.41
2017 4q	132	24,560,554	4,823,467	19.6%	(40,576)	0	0	1	104,579	\$35.19
2017 3q	132	24,560,554	4,782,891	19.5%	(177,360)	0	0	1	104,579	\$35.07
2017 2q	132	24,560,554	4,605,531	18.8%	(289,800)	0	0	1	104,579	\$35.23
2017 1q	132	24,560,554	4,315,731	17.6%	16,932	1	380,000	1	104,579	\$35.01
2016 4q	131	24,180,554	3,952,663	16.3%	(127,755)	0	0	2	484,579	\$34.76
2016 3q	131	24,180,554	3,824,908	15.8%	(27,261)	1	593,850	2	484,579	\$35.14
2016 2q	130	23,586,704	3,203,797	13.6%	(73,699)	1	165,000	3	1,078,429	\$35.22
2016 1q	131	23,528,801	3,072,195	13.1%	30,810	0	0	4	1,243,429	\$35.04
2015 4q	131	23,528,801	3,103,005	13.2%	(350,422)	0	0	4	1,243,429	\$33.75
2015 3q	131	23,528,801	2,752,583	11.7%	65,942	1	92,021	3	1,138,850	\$33.90
2015 2q	130	23,436,780	2,726,504	11.6%	(318,395)	0	0	4	1,230,871	\$33.86
2015 1q	130	23,436,780	2,408,109	10.3%	(24,611)	0	0	4	1,230,871	\$33.36
2014 4q	130	23,436,780	2,383,498	10.2%	107,737	1	4,400	3	850,871	\$33.07
2014 3q	130	23,488,498	2,542,953	10.8%	163,640	1	83,832	3	690,271	\$33.03

Source: CoStar Property®

Houston Office Market

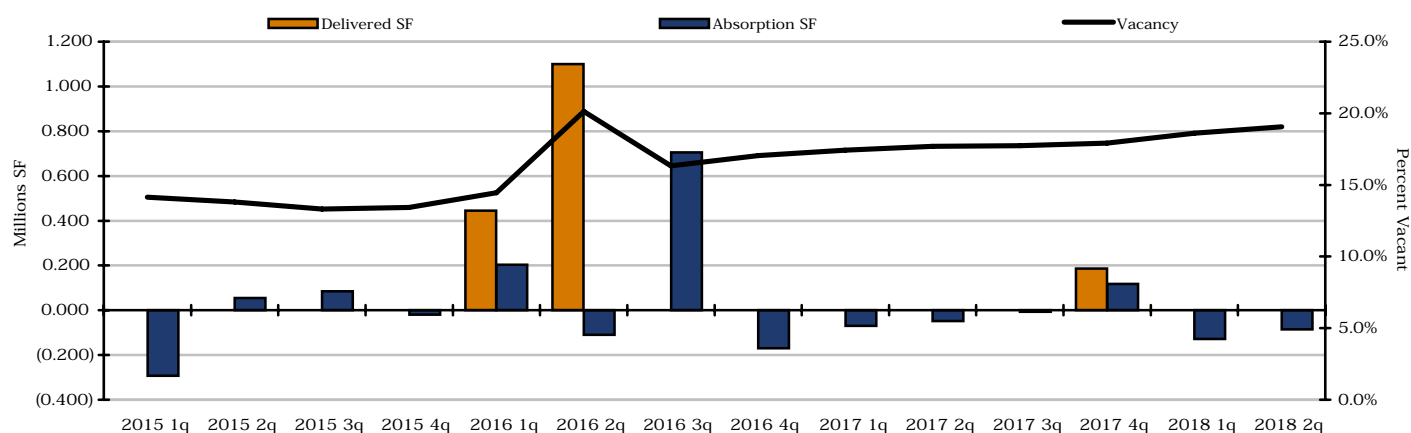


Westchase Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

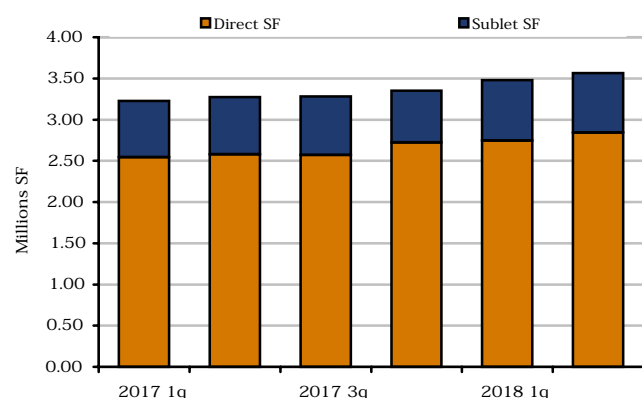
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

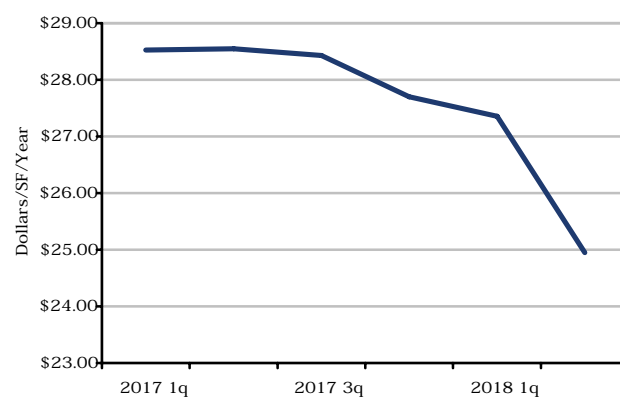
Historical Analysis, All Classes



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 2q	137	18,693,842	3,563,560	19.1%	(85,684)	0	0	0	0	\$24.95
2018 1q	137	18,693,842	3,477,876	18.6%	(127,818)	0	0	0	0	\$27.35
2017 4q	137	18,693,842	3,350,058	17.9%	117,624	1	186,000	0	0	\$27.70
2017 3q	136	18,507,842	3,281,682	17.7%	(7,087)	0	0	1	186,000	\$28.43
2017 2q	136	18,507,842	3,274,595	17.7%	(48,203)	0	0	1	186,000	\$28.55
2017 1q	136	18,507,842	3,226,392	17.4%	(70,154)	0	0	1	186,000	\$28.53
2016 4q	136	18,507,842	3,156,238	17.1%	(170,255)	0	0	1	186,000	\$28.46
2016 3q	137	18,550,842	3,028,983	16.3%	705,081	0	0	1	186,000	\$29.05
2016 2q	137	18,550,842	3,734,064	20.1%	(109,827)	1	1,100,000	1	186,000	\$30.73
2016 1q	136	17,450,842	2,524,237	14.5%	204,107	1	445,000	2	1,286,000	\$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

Source: CoStar Property®