



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 Office Market



Overview

Houston's Vacancy Decreases to 16.4%

Net Absorption Positive 1,138,149 SF in the Quarter

The Houston Office market ended the third quarter 2018 with a vacancy rate of 16.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,138,149 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 5,642,285 square feet. Rental rates ended the third quarter at \$28.44, an increase over the previous quarter. A total of 10 buildings delivered to the market in the quarter totaling 82,882 square feet, with 3,842,673 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Houston office market was positive 1,138,149 square feet in the third quarter 2018. That compares to positive 125,648 square feet in the second quarter 2018, negative 1,118,229 square feet in the first quarter 2018, and positive 714,626 square feet in the fourth quarter 2017.

The Class-A office market recorded net absorption of positive 645,905 square feet in the third quarter 2018, compared to positive 837,894 square feet in the second quarter 2018, negative 706,991 in the first quarter 2018, and positive 532,291 in the fourth quarter 2017.

The Class-B office market recorded net absorption of positive 437,056 square feet in the third quarter 2018, compared to negative 770,358 square feet in the second quarter 2018, negative 358,579 in the first quarter 2018, and positive 261,494 in the fourth quarter 2017.

The Class-C office market recorded net absorption of positive 55,188 square feet in the third quarter 2018 compared to positive 58,112 square feet in the second quarter 2018, nega-

tive 52,659 in the first quarter 2018, and negative 79,159 in the fourth quarter 2017.

Net absorption for Houston's central business district was positive 241,494 square feet in the third quarter 2018. That compares to positive 115,788 square feet in the second quarter 2018, negative 508,499 in the first quarter 2018, and negative 94,581 in the fourth quarter 2017.

Net absorption for the suburban markets was positive 896,655 square feet in the third quarter 2018. That compares to positive 9,860 square feet in second quarter 2018, negative 609,730 in the first quarter 2018, and positive 809,207 in the fourth quarter 2017.

Vacancy

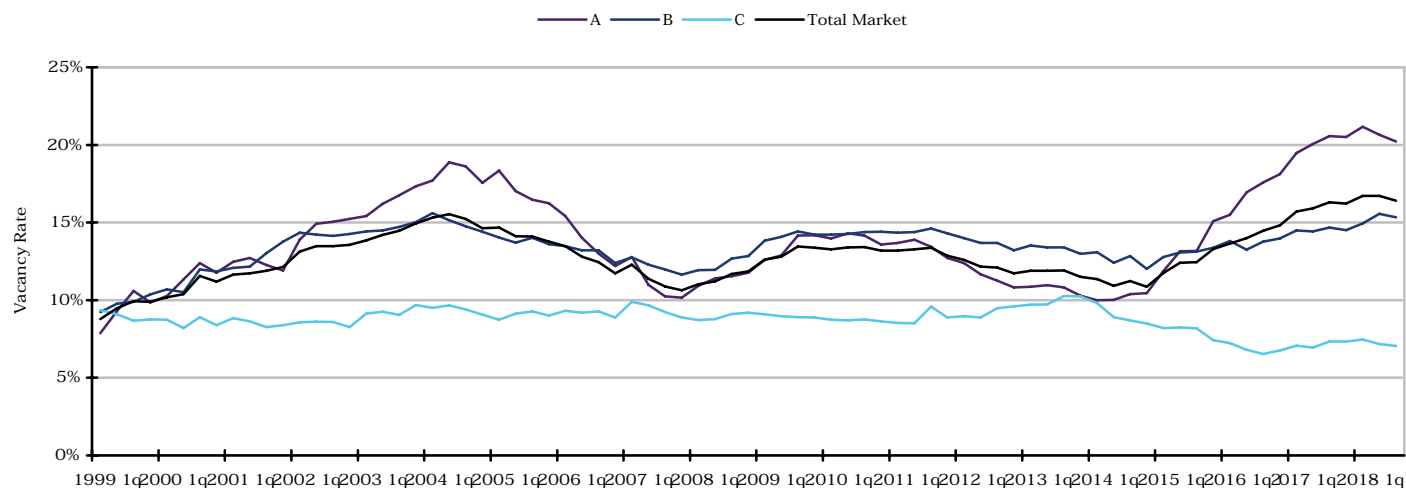
The office vacancy rate in the Houston market area decreased to 16.4% at the end of the third quarter 2018. The vacancy rate was 16.7% through the first and second quarter 2018, and 16.2% at the end of the fourth quarter 2017.

Class-A projects reported a vacancy rate of 20.2% at the end of the third quarter 2018, 20.7% at the end of the second quarter 2018, 21.2% at the end of the first quarter 2018, and 20.5% at the end of the fourth quarter 2017.

Class-B projects reported a vacancy rate of 15.3% at the end of the third quarter 2018, 15.6% at the end of the second quarter 2018, 14.9% at the end of the first quarter 2018, and 14.5% at the end of the fourth quarter 2017.

Class-C projects reported a vacancy rate of 7.0% at the end of the third quarter 2018, 7.2% at the end of second quarter 2018, 7.5% at the end of the first quarter 2018, and 7.3% at the end of the fourth quarter 2017.

Vacancy Rates by Class 1999-2018



Source: CoStar Property®

The overall vacancy rate in Houston's central business district at the end of the third quarter 2018 decreased to 18.9%. The vacancy rate was 19.4% at the end of the second quarter 2018, 19.6% at the end of the first quarter 2018, and 18.6% at the end of the fourth quarter 2017.

The vacancy rate in the suburban markets decreased to 15.9% in the third quarter 2018. The vacancy rate was 16.2% at the end of the first and second quarters 2018, and 15.8% at the end of the fourth quarter 2017.

Largest Lease Signings

The largest lease signings occurring in 2018 included: the 390,717-square-foot lease renewal signed by Apache Corporation at 2000 Post Oak Blvd; the 298,955-square-foot renewal signed by Transco at 2800 Post Oak Blvd in the West Loop market; and the 208,000-square-foot lease signed by Vinson & Elkins LLP at 801 Texas Ave in the Downtown market.

Sublease Vacancy

The amount of vacant sublease space in the Houston market decreased to 5,642,285 square feet by the end of the third quarter 2018, from 5,976,252 square feet at the end of the second quarter 2018. There was 6,823,043 square feet vacant at the end of the first quarter 2018 and 5,956,507 square feet at the end of the fourth quarter 2017.

Houston's Class-A projects reported vacant sublease space of 4,938,644 square feet at the end of third quarter 2018, down from the 5,263,058 square feet reported at the end of the second quarter 2018. There were 6,225,343 square feet of sublease space vacant at the end of the first quarter 2018, and 5,309,834 square feet at the end of the fourth quarter 2017.

Class-B projects reported vacant sublease space of 689,978 square feet at the end of the third quarter 2018, down from the 695,955 square feet reported at the end of the second quarter 2018. At the end of the first quarter 2018 there were 560,631 square feet, and at the end of the fourth quarter

2017 there were 626,784 square feet vacant.

Class-C projects reported decreased vacant sublease space from the second quarter 2018 to the third quarter 2018. Sublease vacancy went from 17,239 square feet to 13,663 square feet during that time. There was 37,069 square feet at the end of the first quarter 2018, and 19,889 square feet at the end of the fourth quarter 2017.

Sublease vacancy in Houston's central business district stood at 1,241,321 square feet at the end of the third quarter 2018. It was 1,445,170 square feet at the end of the second quarter 2018, 1,561,768 square feet at the end of the first quarter 2018, and 1,307,406 square feet at the end of the fourth quarter 2017.

Sublease vacancy in the suburban markets ended the third quarter 2018 at 4,400,964 square feet. At the end of the second quarter 2018 sublease vacancy was 4,531,082 square feet, was 5,261,275 square feet at the end of the first quarter 2018, and was 4,649,101 square feet at the end of the fourth quarter 2017.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$28.44 per square foot per year at the end of the third quarter 2018 in the Houston market area. This represented a 2.0% increase in quoted rental rates from the end of the second quarter 2018, when rents were reported at \$27.87 per square foot.

The average quoted rate within the Class-A sector was \$33.93 at the end of the third quarter 2018, while Class-B rates stood at \$22.04, and Class-C rates at \$18.00. At the end of the second quarter 2018, Class-A rates were \$33.11 per square foot, Class-B rates were \$22.03, and Class-C rates were \$17.61.

The average quoted asking rental rate in Houston's CBD was \$40.43 at the end of the third quarter 2018, and \$25.63 in the suburban markets. In the second quarter 2018, quoted rates were \$38.47 in the CBD and \$25.74 in the suburbs.

Deliveries and Construction

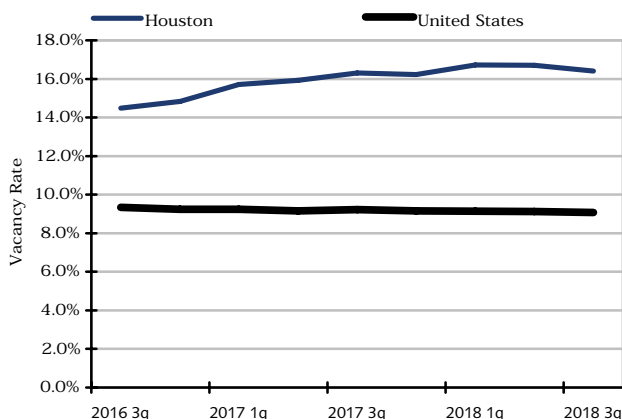
During the third quarter 2018, 10 buildings totaling 82,882 square feet were completed in the Houston market area. This compares to 19 buildings totaling 264,418 square feet that were completed in the second quarter 2018, 29 buildings totaling 579,115 square feet completed in the first quarter 2018, and 1,071,470 square feet in 19 buildings completed in the fourth quarter 2017.

There were 3,842,673 square feet of office space under construction at the end of the third quarter 2018.

Some of the notable 2018 deliveries include: 2322 W. Grand Pky N.-Bldg 4, a 165,000-square-foot facility that delivered in first quarter 2018 and is now fully occupied, and 1600 W. Loop S, a 104,579-square-foot building that delivered in first quarter 2018 and is now 71% occupied.

U.S. Vacancy Comparison

Past 9 Quarters



Source: CoStar Property®

Houston Office Market



Overview

The largest projects underway at the end of third quarter 2018 were 801 Texas Ave, a 1,106,581-square-foot building with 33% of its space pre-leased, and 800 Capitol St, a 778,344-square-foot facility that is 34% pre-leased.

Inventory

Total office inventory in the Houston market area amounted to 327,592,516 square feet in 9,350 buildings as of the end of the third quarter 2018. The Class-A office sector consisted of 145,826,147 square feet in 523 projects. There were 4,004 Class-B buildings totaling 138,336,468 square feet, and the Class-C sector consisted of 43,429,901 square feet in 4,823 buildings. Within the Office market there were 666 owner-occupied buildings accounting for 44,504,476 square feet of office space.

Sales Activity

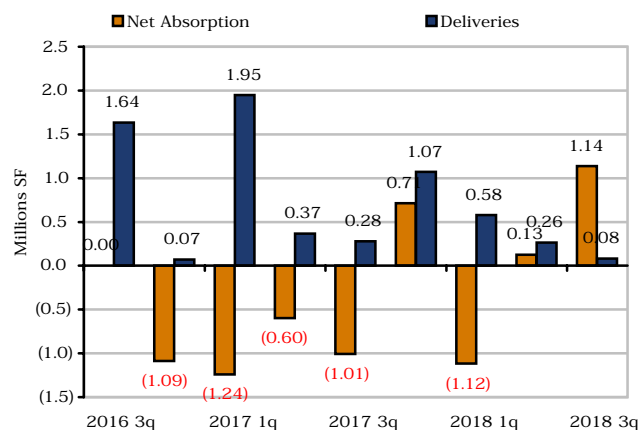
Tallying office building sales of 15,000 square feet or larger, Houston office sales figures fell during the second quarter 2018 in terms of dollar volume compared to the first quarter of 2018.

In the second quarter, seven office transactions closed with a total volume of \$248,700,000. The seven buildings totaled 1,695,564 square feet and the average price per square foot equated to \$146.68 per square foot. That compares to nine transactions totaling \$507,840,000 in the first quarter 2018. The total square footage in the first quarter was 3,603,897 square feet for an average price per square foot of \$140.91.

Total office building sales activity in 2018 was down compared to 2017. In the first six months of 2018, the market saw 16 office sales transactions with a total volume of \$756,540,000. The price per square foot averaged \$142.76. In the same first

Absorption & Deliveries

Past 9 Quarters



Source: CoStar Property®

six months of 2017, the market posted 23 transactions with a total volume of \$1,174,845,677. The price per square foot averaged \$203.16.

Cap rates have been lower in 2018, averaging 6.17% compared to the same period in 2017 when they averaged 6.86%.

One of the largest transactions that has occurred within the last four quarters in the Houston market is the sale of Merger of Parkway Inc./CPPIB in Houston. This 1,904,521-square-foot office building sold for \$687,900,000, or \$361.19 per square foot. The property sold on 10/12/2017.

Reports compiled by: Vickie Clayton, CoStar Senior Research Manager

CoStar Submarket Clusters & Submarkets

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

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

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

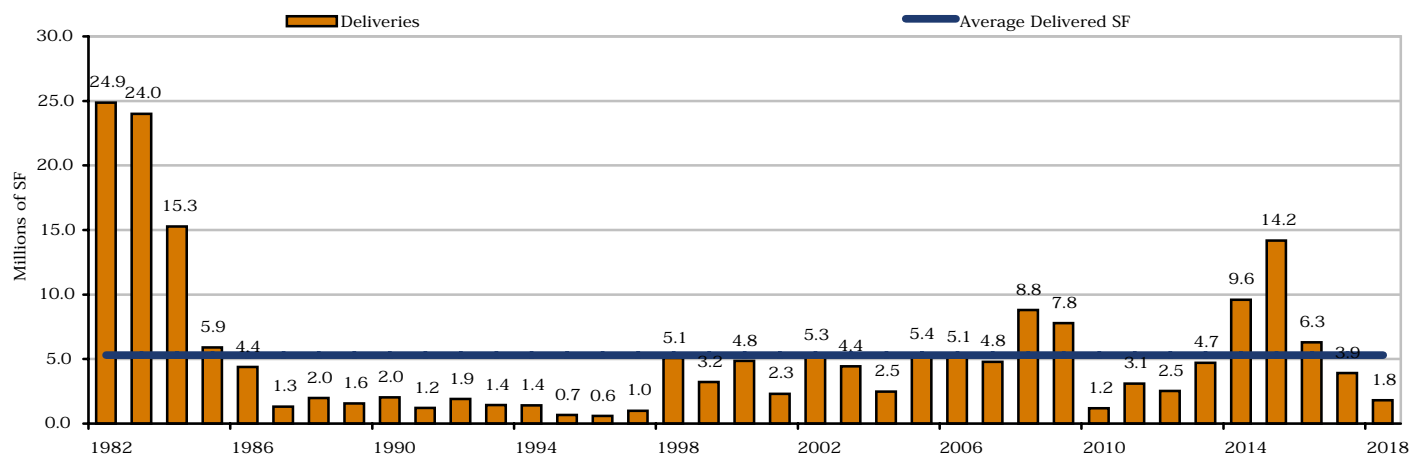
Houston Office Market



Inventory & development

Historical Deliveries

1982 - 2018



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

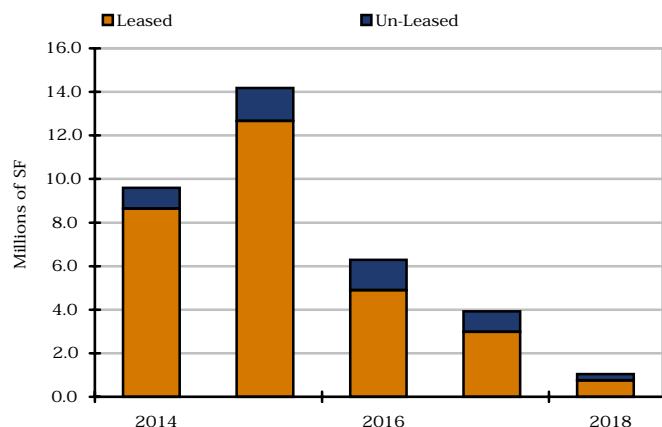
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Downtown	3	1,922,425	629,809	32.8%	84,466	640,808
The Woodlands	7	971,140	734,145	75.6%	34,786	138,734
Katy Freeway	4	232,774	166,353	71.5%	77,070	58,193
FM 1960	11	231,883	0	0.0%	19,912	21,080
Kingwood/Humble	1	100,000	0	0.0%	15,323	100,000
NASA/Clear Lake	3	87,139	53,451	61.3%	19,707	29,046
E Fort Bend Co/Sugar Land	3	74,351	17,435	23.4%	24,867	24,784
Northwest Outlier	7	47,141	2,736	5.8%	7,159	6,734
Outlying Montgomery Cnty	4	38,552	5,246	13.6%	7,105	9,638
South	1	32,900	0	0.0%	12,405	32,900
All Other	14	104,368	86,675	83.0%	32,777	7,455
Totals	58	3,842,673	1,695,850	44.1%	35,037	66,253

Source: CoStar Property®

Recent Deliveries

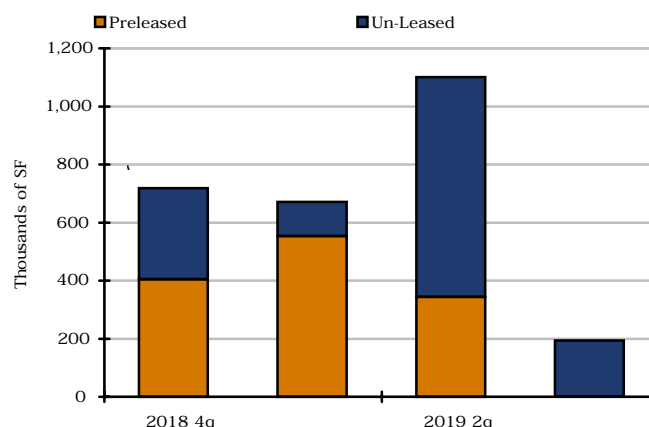
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

Future Deliveries

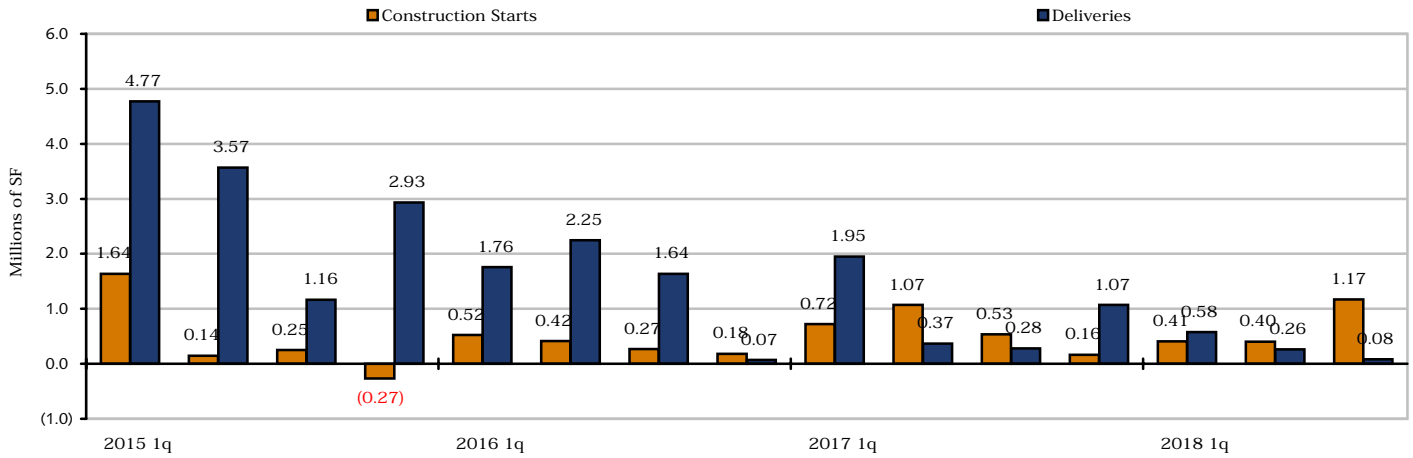
Preleased & Un-Leased SF in Properties Scheduled to Deliver



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	64	688,790	453,140	65.8%	\$29.26	74,787	614,003
50,000 SF - 99,999 SF	1	83,076	53,169	64.0%	\$0.00	0	83,076
100,000 SF - 249,999 SF	2	269,579	239,251	88.7%	\$51.13	0	269,579
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

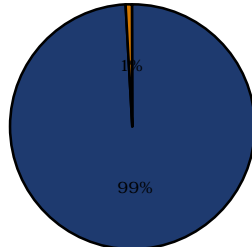
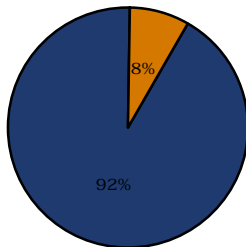
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

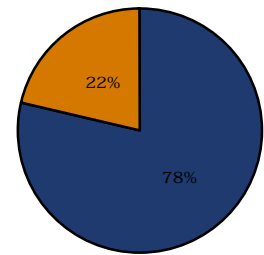
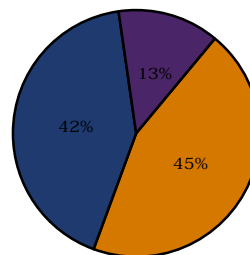
Source: CoStar Property®

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

<p>1. 2322 W Grand Pky N</p> <p>Submarket: Katy/Grand Parkway West RBA: 165,000 # Floors: 3 Class: A Occupied: 100% Quoted Rate: \$25.69 Grnd Brk Date: Second Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Transwestern Developer: InSite Realty Partners Architect: The Urban Companies</p>	<p>2. 1600 W Loop S</p> <p>Submarket: West Loop RBA: 104,579 # Floors: 36 Class: A Occupied: 71% Quoted Rate: \$55.14 Grnd Brk Date: Fourth Quarter 2015 Deliv Date: First Quarter 2018 Leasing Co: Landry's Restaurants, Inc. Developer: Tellepsen Builders Architect: Gensler & Associates</p>	<p>3. 4450 Harrisburg Blvd</p> <p>Submarket: Gulf Freeway/Pasadena RBA: 83,076 # Floors: 4 Class: A Occupied: 64% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Arvo Realty Advisors Developer: Lovett Commercial Architect: Gensler & Associates</p>
<p>4. 8917 Louetta Rd</p> <p>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 Developer: YC Properties Architect: N/A</p>	<p>5. 1221 Park West Green Dr</p> <p>Submarket: Katy/Grand Parkway West RBA: 31,562 # Floors: 2 Class: A Occupied: 59% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2016 Deliv Date: First Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A</p>	<p>6. 16803 Stuebner Airline Rd</p> <p>Submarket: FM 1960 RBA: 29,904 # Floors: 2 Class: B Occupied: 53% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: NW Group Developer: NW Group Architect: InSite Architecture</p>
<p>7. 8540 Broadway St</p> <p>Submarket: South RBA: 25,000 # Floors: 2 Class: A Occupied: 0% Quoted Rate: \$30.53 Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2018 Leasing Co: Jacob Realty Group Developer: N/A Architect: Mirador Group</p>	<p>8. 1300 Rayford Park Rd</p> <p>Submarket: The Woodlands RBA: 24,000 # Floors: 2 Class: B Occupied: 91% Quoted Rate: \$30.33 Grnd Brk Date: Second Quarter 2016 Deliv Date: First Quarter 2018 Leasing Co: RE/MAX Carlton Woods Developer: N/A Architect: N/A</p>	<p>9. 12002 S Highway 6</p> <p>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</p>
<p>10. 10402 Valley Forge Dr</p> <p>Submarket: Westchase RBA: 21,000 # Floors: 3 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2018 Deliv Date: Third Quarter 2018 Leasing Co: Keen Realty Group LLC Developer: N/A Architect: N/A</p>	<p>11. 13310 University Blvd</p> <p>Submarket: E Fort Bend Co/Sugar Land RBA: 20,800 # Floors: 2 Class: B Occupied: 29% Quoted Rate: \$29.33 Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: ICO Commercial Developer: N/A Architect: N/A</p>	<p>12. 1435 Highway 6</p> <p>Submarket: E Fort Bend Co/Sugar Land RBA: 20,225 # Floors: 2 Class: B Occupied: 55% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2017 Deliv Date: First Quarter 2018 Leasing Co: Colliers International Developer: N/A Architect: N/A</p>
<p>13. 12440 Emily Ct</p> <p>Submarket: E Fort Bend Co/Sugar Land RBA: 20,000 # Floors: 1 Class: B Occupied: 81% 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</p>	<p>14. 4140 Red Bluff Rd</p> <p>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: International Longshoremen Developer: N/A Architect: N/A</p>	<p>15. 2174 N FM 3083 W Rd</p> <p>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</p>



Houston Office Market

Inventory & development

Select Top Under Construction Properties

Based on Project Square Footage

1. 801 Texas Ave Submarket: Downtown RBA: 1,106,581 # Floors: 47 Class: A Preleased: 33% Quoted Rate: \$51.47 Grnd Brk Date: Third Quarter 2018 Deliv Date: Fourth Quarter 2021 Leasing Co: Colvill Office Properties Developer: Hines Securities, Inc. Architect: Pelli Clarke Pelli	2. 800 Capitol St Submarket: Downtown RBA: 778,344 # Floors: 35 Class: A Preleased: 34% 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 & Associates	3. 1701 City Plaza Dr 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
4. 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	5. 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	6. 19350 State Highway 249 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 CRE Developer: Greenwood Properties, Inc. Architect: Billy Tippitt Architects, Inc.
7. 1700 City Plaza Dr Submarket: The Woodlands RBA: 149,500 # Floors: 5 Class: A Preleased: 5% Quoted Rate: \$34.23 Grnd Brk Date: Second Quarter 2018 Deliv Date: Second Quarter 2019 Leasing Co: JLL Developer: Patrinely Group, LLC Architect: Gensler & Associates	8. 1336 Brittmore Rd Submarket: Katy Freeway RBA: 120,000 # Floors: 1 Class: B Preleased: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2018 Deliv Date: First Quarter 2019 Leasing Co: Ben Griffin Developer: Burton Construction Architect: Abel Design Group	9. 8731 Katy Fwy 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
10. 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: Fourth Quarter 2018 Leasing Co: Healthcare Trust of America Developer: N/A Architect: N/A	11. 121 Vision Park Blvd Submarket: The Woodlands RBA: 58,000 # Floors: 3 Class: B Preleased: 25% Quoted Rate: \$32.49 Grnd Brk Date: Third Quarter 2017 Deliv Date: Second Quarter 2019 Leasing Co: J. Beard Real Estate Co. Developer: Everson Developments Architect: Ziegler Cooper	12. 505 S Friendswood Dr Submarket: NASA/Clear Lake RBA: 51,614 # Floors: 4 Class: A Preleased: 40% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2018 Deliv Date: Second Quarter 2019 Leasing Co: UTR-Texas Realtors Developer: Tannas Land Holding Architect: Diamond Development
13. Springwoods Village Pky Submarket: The Woodlands RBA: 48,840 # Floors: 2 Class: A Preleased: 45% Quoted Rate: \$32.03 Grnd Brk Date: Third Quarter 2018 Deliv Date: Second Quarter 2019 Leasing Co: JLL Developer: Patrinely Group, LLC Architect: N/A	14. 7619 Branford Place Submarket: E Fort Bend Co/Sugar Land RBA: 38,599 # Floors: 2 Class: B Preleased: 10% Quoted Rate: \$30.33 Grnd Brk Date: Second Quarter 2017 Deliv Date: Fourth Quarter 2018 Leasing Co: Transwestern Developer: N/A Architect: N/A	15. 3663 Washington Ave Submarket: Downtown RBA: 37,500 # Floors: 7 Class: A Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Third Quarter 2017 Deliv Date: Third Quarter 2019 Leasing Co: Colvill Office Properties Developer: Midway Companies Architect: N/A

Houston Office Market



Figures at a Glance

Class A Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	0	0	0	0	0.0%	0	0	0	\$0.00
Baytown	0	0	0	0	0.0%	0	0	0	\$0.00
Bellaire	8	1,475,481	155,489	169,458	11.5%	26,267	0	0	\$28.32
Conroe	3	178,831	18,422	18,422	10.3%	49,999	49,999	0	\$26.46
Downtown	46	35,991,866	5,544,172	6,726,478	18.7%	44,193	0	1,922,425	\$42.51
E Fort Bend Co/Sugar.	20	3,774,860	229,879	381,199	10.1%	(76,477)	0	30,852	\$26.98
FM 1960	21	4,105,257	471,940	485,700	11.8%	(81,821)	0	156,000	\$27.50
Greenway Plaza	21	7,429,743	1,343,525	1,400,969	18.9%	(38,277)	0	0	\$32.75
Gulf Freeway/Pasaden.	3	170,782	29,975	29,975	17.6%	53,101	83,076	0	\$0.00
I-10 East	0	0	0	0	0.0%	0	0	0	\$0.00
Katy Freeway	100	24,951,220	3,528,241	5,284,908	21.2%	398,902	0	102,474	\$32.59
Katy/Grand Parkway W	26	2,234,767	494,345	502,091	22.5%	274,146	165,000	0	\$29.54
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	18	2,247,936	233,239	235,629	10.5%	(25,154)	0	80,339	\$29.87
North Belt	26	5,640,481	3,397,087	3,457,455	61.3%	(108,955)	0	0	\$22.01
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	844,756	849,863	41.7%	(140,125)	0	0	\$22.86
Northwest Outlier	1	165,671	70,524	70,524	42.6%	37,930	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	475,401	496,180	28.8%	(48,748)	0	0	\$36.05
San Jacinto County	0	0	0	0	0.0%	0	0	0	\$0.00
South	6	699,270	53,898	53,898	7.7%	809	25,000	0	\$30.30
South Hwy 35	0	0	0	0	0.0%	0	0	0	\$0.00
South Main/Medical C.	14	4,454,410	187,917	187,917	4.2%	37,965	0	0	\$33.33
Southeast Outlier	3	246,382	27,101	27,101	11.0%	15,569	0	0	\$30.34
Southwest	9	2,055,792	439,926	469,089	22.8%	49,508	0	0	\$19.55
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	57	12,576,467	1,132,410	1,192,976	9.5%	111,508	0	903,140	\$32.58
West Belt	30	4,380,523	698,854	1,060,777	24.2%	(171,684)	0	0	\$29.43
West Loop	51	18,056,406	3,072,561	3,583,217	19.8%	607,872	104,579	0	\$36.74
Westchase	34	10,002,462	1,933,281	2,637,761	26.4%	(251,119)	0	0	\$29.61
Totals	523	145,826,147	24,559,098	29,497,742	20.2%	776,808	427,654	3,295,230	\$33.93

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class B Market Statistics

Third Quarter 201

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	1,072,513	67,822	67,822	6.3%	2,623	6,172	0	\$21.26
Bellaire	38	2,789,842	160,814	174,535	6.3%	(44,488)	0	5,000	\$24.47
Conroe	81	1,368,718	141,272	141,272	10.3%	42,496	31,000	0	\$23.74
Downtown	218	19,884,284	3,349,996	3,452,232	17.4%	(212,083)	0	0	\$28.61
E Fort Bend Co/Sugar.	281	5,310,965	551,453	574,774	10.8%	82,354	87,145	43,499	\$25.65
FM 1960	418	8,456,135	1,304,142	1,344,782	15.9%	18,139	95,950	75,883	\$18.73
Greenway Plaza	55	4,221,410	501,195	506,841	12.0%	(55,370)	0	0	\$26.85
Gulf Freeway/Pasaden.	197	4,374,884	510,297	520,852	11.9%	10,184	24,800	10,327	\$22.59
I-10 East	31	661,950	84,562	84,562	12.8%	18,033	0	0	\$18.17
Katy Freeway	221	12,246,520	2,338,951	2,442,055	19.9%	(108,143)	4,320	130,300	\$21.47
Katy/Grand Parkway W.	288	3,342,456	131,904	139,599	4.2%	46,699	60,584	23,100	\$28.09
Kingwood/Humble	94	2,259,995	232,266	232,266	10.3%	(83,745)	0	0	\$25.06
Liberty County	12	92,060	2,534	2,534	2.8%	948	0	0	\$0.00
NASA/Clear Lake	244	5,933,301	1,159,061	1,160,153	19.6%	106,662	7,400	6,800	\$20.62
North Belt	75	6,527,480	1,850,151	1,884,296	28.9%	(105,539)	0	0	\$15.23
Northeast Near	34	707,321	47,537	47,537	6.7%	34,565	0	0	\$18.66
Northeast Outlier	43	669,636	49,351	49,351	7.4%	(9,468)	0	8,000	\$23.33
Northwest	172	6,940,913	1,024,819	1,026,287	14.8%	54,779	15,000	10,020	\$19.36
Northwest Outlier	116	1,103,191	112,517	122,550	11.1%	13,202	27,320	47,141	\$25.74
Outlying Chambers Co.	6	22,672	0	0	0.0%	0	0	7,421	\$21.60
Outlying Montgomery .	84	835,415	79,058	79,058	9.5%	14,148	5,000	38,552	\$24.37
Outlying Waller Coun.	6	31,728	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	30	1,117,587	151,749	151,749	13.6%	8,200	0	4,500	\$18.17
San Felipe/Voss	37	3,541,897	603,499	639,726	18.1%	(66,657)	0	0	\$24.81
San Jacinto County	1	27,261	0	0	0.0%	0	0	0	\$0.00
South	97	1,567,566	138,119	138,119	8.8%	(12,264)	0	32,900	\$26.61
South Hwy 35	39	377,988	10,084	10,084	2.7%	7,487	0	15,000	\$17.92
South Main/Medical C.	78	6,104,196	209,319	214,964	3.5%	10,432	0	0	\$22.46
Southeast Outlier	119	2,456,137	246,066	249,198	10.1%	19,596	20,070	15,000	\$21.15
Southwest	126	7,532,668	1,329,299	1,388,186	18.4%	(191,646)	0	0	\$17.15
Southwest Far	36	955,466	255,604	255,604	26.8%	872	0	0	\$24.95
Southwest Outlier	87	1,193,407	131,777	131,777	11.0%	28,853	8,100	0	\$25.07
The Woodlands	393	7,916,784	739,036	774,766	9.8%	147,418	73,400	68,000	\$26.14
West Belt	58	2,293,098	367,418	469,307	20.5%	(18,139)	11,500	6,000	\$19.36
West Loop	58	6,184,247	940,915	1,000,251	16.2%	(220,013)	0	0	\$27.66
Westchase	74	8,062,297	1,685,968	1,721,444	21.4%	(229,464)	21,000	0	\$21.91
Totals	4,004	138,336,468	20,511,107	21,201,085	15.3%	(691,881)	498,761	547,443	\$22.04

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class C Market Statistics

Third Quarter 201

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	30	108,446	5,078	5,078	4.7%	1,600	0	0	\$13.71
Baytown	94	601,798	29,527	29,527	4.9%	38,739	0	0	\$18.27
Bellaire	43	739,172	40,321	40,321	5.5%	9,692	0	0	\$18.59
Conroe	175	1,134,694	63,080	63,080	5.6%	(4,138)	0	0	\$17.69
Downtown	447	4,179,376	298,166	298,166	7.1%	(66,441)	0	0	\$22.93
E Fort Bend Co/Sugar.	97	811,241	14,182	14,182	1.7%	(1,165)	0	0	\$20.03
FM 1960	335	2,850,453	300,753	300,753	10.6%	27,304	0	0	\$16.26
Greenway Plaza	203	1,439,557	59,388	59,388	4.1%	16,049	0	0	\$24.76
Gulf Freeway/Pasaden.	428	3,446,685	329,107	329,107	9.5%	(15,500)	0	0	\$17.23
I-10 East	100	673,767	44,955	44,955	6.7%	(1,169)	0	0	\$18.32
Katy Freeway	200	2,955,582	194,865	200,071	6.8%	(62,672)	0	0	\$20.87
Katy/Grand Parkway W.	96	592,900	23,366	23,366	3.9%	31,534	0	0	\$21.10
Kingwood/Humble	124	937,057	52,856	52,856	5.6%	32,878	0	0	\$18.54
Liberty County	57	256,368	6,517	6,517	2.5%	3,759	0	0	\$0.00
NASA/Clear Lake	255	2,007,349	151,357	151,357	7.5%	5,207	0	0	\$19.01
North Belt	72	2,036,783	423,481	426,238	20.9%	28,333	0	0	\$12.64
Northeast Near	110	909,183	35,487	35,487	3.9%	8,800	0	0	\$17.93
Northeast Outlier	42	220,626	6,050	6,050	2.7%	5,917	0	0	\$15.20
Northwest	343	3,029,624	199,678	202,678	6.7%	(45,418)	0	0	\$17.23
Northwest Outlier	126	470,839	23,299	23,299	4.9%	12,201	0	0	\$20.36
Outlying Chambers Co.	15	41,503	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	100	389,786	12,186	12,186	3.1%	4,000	0	0	\$18.43
Outlying Waller Coun.	16	86,705	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	88	1,131,394	53,023	53,023	4.7%	(29,203)	0	0	\$15.08
San Felipe/Voss	11	103,816	0	0	0.0%	1,066	0	0	\$25.79
San Jacinto County	2	11,878	0	0	0.0%	0	0	0	\$0.00
South	153	908,867	65,630	65,630	7.2%	33,018	0	0	\$19.77
South Hwy 35	111	424,878	22,921	22,921	5.4%	1,101	0	0	\$16.05
South Main/Medical C.	146	2,744,215	101,312	104,012	3.8%	(25,024)	0	0	\$22.32
Southeast Outlier	221	1,418,943	84,771	84,771	6.0%	21,883	0	0	\$15.76
Southwest	163	3,161,454	294,106	294,106	9.3%	(21,490)	0	0	\$15.48
Southwest Far	53	338,869	2,433	2,433	0.7%	4,307	0	0	\$16.90
Southwest Outlier	116	446,849	33,831	33,831	7.6%	3,659	0	0	\$16.67
The Woodlands	178	1,352,356	41,979	41,979	3.1%	31,787	0	0	\$23.63
West Belt	20	212,243	0	0	0.0%	0	0	0	\$0.00
West Loop	24	426,159	3,200	3,200	0.8%	4,352	0	0	\$21.00
Westchase	29	828,486	26,481	26,481	3.2%	5,675	0	0	\$15.27
Totals	4,823	43,429,901	3,043,386	3,057,049	7.0%	60,641	0	0	\$18.00

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Total Office Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	43	260,926	7,630	7,630	2.9%	(952)	0	0	\$13.71
Baytown	138	1,674,311	97,349	97,349	5.8%	41,362	6,172	0	\$20.19
Bellaire	89	5,004,495	356,624	384,314	7.7%	(8,529)	0	5,000	\$25.45
Conroe	259	2,682,243	222,774	222,774	8.3%	88,357	80,999	0	\$22.61
Downtown	711	60,055,526	9,192,334	10,476,876	17.4%	(234,331)	0	1,922,425	\$39.54
E Fort Bend Co/Sugar.	398	9,897,066	795,514	970,155	9.8%	4,712	87,145	74,351	\$26.21
FM 1960	774	15,411,845	2,076,835	2,131,235	13.8%	(36,378)	95,950	231,883	\$19.97
Greenway Plaza	279	13,090,710	1,904,108	1,967,198	15.0%	(77,598)	0	0	\$31.39
Gulf Freeway/Pasaden.	628	7,992,351	869,379	879,934	11.0%	47,785	107,876	10,327	\$20.70
I-10 East	131	1,335,717	129,517	129,517	9.7%	16,864	0	0	\$18.22
Katy Freeway	521	40,153,322	6,062,057	7,927,034	19.7%	228,087	4,320	232,774	\$28.22
Katy/Grand Parkway W.	410	6,170,123	649,615	665,056	10.8%	352,379	225,584	23,100	\$28.47
Kingwood/Humble	221	3,386,364	318,997	318,997	9.4%	(75,349)	0	100,000	\$24.32
Liberty County	69	348,428	9,051	9,051	2.6%	4,707	0	0	\$0.00
NASA/Clear Lake	517	10,188,586	1,543,657	1,547,139	15.2%	86,715	7,400	87,139	\$21.63
North Belt	173	14,204,744	5,670,719	5,767,989	40.6%	(186,161)	0	0	\$18.93
Northeast Near	147	2,258,727	104,726	104,726	4.6%	54,246	0	0	\$18.28
Northeast Outlier	86	926,662	55,401	55,401	6.0%	(3,551)	0	8,000	\$21.66
Northwest	525	12,008,318	2,069,253	2,078,828	17.3%	(130,764)	15,000	10,020	\$20.54
Northwest Outlier	243	1,739,701	206,340	216,373	12.4%	63,333	27,320	47,141	\$26.11
Outlying Chambers Co.	21	64,175	0	0	0.0%	0	0	7,421	\$21.60
Outlying Montgomery .	187	1,328,650	147,693	147,693	11.1%	43,148	5,000	38,552	\$23.15
Outlying Waller Coun.	22	118,433	0	0	0.0%	0	0	0	\$0.00
Richmond/Fountainvie.	118	2,248,981	204,772	204,772	9.1%	(21,003)	0	4,500	\$17.19
San Felipe/Voss	51	5,366,506	1,078,900	1,135,906	21.2%	(114,339)	0	0	\$29.96
San Jacinto County	3	39,139	0	0	0.0%	0	0	0	\$0.00
South	256	3,175,703	257,647	257,647	8.1%	21,563	25,000	32,900	\$25.95
South Hwy 35	150	802,866	33,005	33,005	4.1%	8,588	0	15,000	\$16.61
South Main/Medical C.	238	13,302,821	498,548	506,893	3.8%	23,373	0	0	\$25.87
Southeast Outlier	343	4,121,462	357,938	361,070	8.8%	57,048	20,070	15,000	\$20.74
Southwest	298	12,749,914	2,063,331	2,151,381	16.9%	(163,628)	0	0	\$17.43
Southwest Far	91	1,453,055	277,774	277,774	19.1%	5,179	0	0	\$23.22
Southwest Outlier	204	1,739,118	210,000	210,000	12.1%	32,512	8,100	0	\$24.21
The Woodlands	628	21,845,607	1,913,425	2,009,721	9.2%	290,713	73,400	971,140	\$28.95
West Belt	108	6,885,864	1,066,272	1,530,084	22.2%	(189,823)	11,500	6,000	\$25.97
West Loop	133	24,666,812	4,016,676	4,586,668	18.6%	392,211	104,579	0	\$34.53
Westchase	137	18,893,245	3,645,730	4,385,686	23.2%	(474,908)	21,000	0	\$26.00
Totals	9,350	327,592,516	48,113,591	53,755,876	16.4%	145,568	926,415	3,842,673	\$28.44

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class A Submarket Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	0	0	0	0	0.0%	0	0	0	\$0.00
Baytown	0	0	0	0	0.0%	0	0	0	\$0.00
Bellaire	8	1,475,481	155,489	169,458	11.5%	26,267	0	0	\$28.32
CBD	37	33,352,146	5,184,153	6,354,443	19.1%	(49,603)	0	1,884,925	\$42.92
Conroe	3	178,831	18,422	18,422	10.3%	49,999	49,999	0	\$26.46
E Fort Bend Co/Sugar.	20	3,774,860	229,879	381,199	10.1%	(76,477)	0	30,852	\$26.98
FM 1960/Champions	2	214,500	3,925	3,925	1.8%	(225)	0	0	\$16.00
FM 1960/Hwy 249	17	3,684,052	403,079	415,591	11.3%	(69,924)	0	156,000	\$28.11
FM 1960/I-45 North	2	206,705	64,936	66,184	32.0%	(11,672)	0	0	\$25.00
Galleria/Uptown	36	13,508,725	1,804,139	2,225,262	16.5%	528,883	104,579	0	\$38.19
Greenspoint/IAH	8	1,215,189	543,006	550,130	45.3%	22,611	0	0	\$21.96
Greenspoint/N Belt W.	18	4,425,292	2,854,081	2,907,325	65.7%	(131,566)	0	0	\$22.02
Greenway Plaza	21	7,429,743	1,343,525	1,400,969	18.9%	(38,277)	0	0	\$32.75
Gulf Freeway/Pasaden.	3	170,782	29,975	29,975	17.6%	53,101	83,076	0	\$0.00
I-10 East	0	0	0	0	0.0%	0	0	0	\$0.00
Katy Freeway East	28	6,015,474	699,982	788,852	13.1%	146,842	0	102,474	\$37.81
Katy Freeway West	72	18,935,746	2,828,259	4,496,056	23.7%	252,060	0	0	\$32.09
Katy/Grand Parkway W.	26	2,234,767	494,345	502,091	22.5%	274,146	165,000	0	\$29.54
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	360,019	372,035	14.1%	93,796	0	37,500	\$33.02
NASA/Clear Lake	18	2,247,936	233,239	235,629	10.5%	(25,154)	0	80,339	\$29.87
North Loop West	6	1,240,544	494,374	498,278	40.2%	(125,122)	0	0	\$26.21
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	350,382	351,585	44.1%	(15,003)	0	0	\$19.05
Northwest Near	0	0	0	0	0.0%	0	0	0	\$0.00
Northwest Outlier	1	165,671	70,524	70,524	42.6%	37,930	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	879,329	956,320	36.5%	22,037	0	0	\$35.10
Richmond/Fountainvie.	0	0	0	0	0.0%	0	0	0	\$0.00
Riverway	6	1,929,813	389,093	401,635	20.8%	56,952	0	0	\$33.26
San Felipe/Voss	3	1,720,793	475,401	496,180	28.8%	(48,748)	0	0	\$36.05
San Jacinto County	0	0	0	0	0.0%	0	0	0	\$0.00
South	6	699,270	53,898	53,898	7.7%	809	25,000	0	\$30.30
South Hwy 35	0	0	0	0	0.0%	0	0	0	\$0.00
South Main/Medical C.	14	4,454,410	187,917	187,917	4.2%	37,965	0	0	\$33.33
Southeast Outlier	3	246,382	27,101	27,101	11.0%	15,569	0	0	\$30.34
Southwest Beltway	3	566,699	92,170	92,170	16.3%	12,144	0	0	\$20.03
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	1,489,093	347,756	376,919	25.3%	37,364	0	0	\$19.40
The Woodlands	57	12,576,467	1,132,410	1,192,976	9.5%	111,508	0	903,140	\$32.58
West Belt	30	4,380,523	698,854	1,060,777	24.2%	(171,684)	0	0	\$29.43
Westchase	34	10,002,462	1,933,281	2,637,761	26.4%	(251,119)	0	0	\$29.61
Totals	523	145,826,147	24,559,098	29,497,742	20.2%	776,808	427,654	3,295,230	\$33.93

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class B Submarket Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	13	152,480	2,552	2,552	1.7%	(2,552)	0	0	\$0.00
Baytown	44	1,072,513	67,822	67,822	6.3%	2,623	6,172	0	\$21.26
Bellaire	38	2,789,842	160,814	174,535	6.3%	(44,488)	0	5,000	\$24.47
CBD	65	15,441,366	3,030,335	3,101,366	20.1%	(106,061)	0	0	\$28.87
Conroe	81	1,368,718	141,272	141,272	10.3%	42,496	31,000	0	\$23.74
E Fort Bend Co/Sugar.	281	5,310,965	551,453	574,774	10.8%	82,354	87,145	43,499	\$25.65
FM 1960/Champions	126	2,898,163	505,942	505,942	17.5%	29,422	43,600	0	\$16.07
FM 1960/Hwy 249	225	3,704,182	418,581	453,081	12.2%	(12,958)	52,350	75,883	\$22.50
FM 1960/I-45 North	67	1,853,790	379,619	385,759	20.8%	1,675	0	0	\$17.77
Galleria/Uptown	23	3,218,910	376,010	432,790	13.4%	(102,993)	0	0	\$28.15
Greenspoint/IAH	21	1,638,936	248,241	248,241	15.1%	(6,512)	0	0	\$14.66
Greenspoint/N Belt W.	54	4,888,544	1,601,910	1,636,055	33.5%	(99,027)	0	0	\$15.33
Greenway Plaza	55	4,221,410	501,195	506,841	12.0%	(55,370)	0	0	\$26.85
Gulf Freeway/Pasaden.	197	4,374,884	510,297	520,852	11.9%	10,184	24,800	10,327	\$22.59
I-10 East	31	661,950	84,562	84,562	12.8%	18,033	0	0	\$18.17
Katy Freeway East	85	3,442,332	263,327	281,999	8.2%	31,912	0	0	\$19.55
Katy Freeway West	136	8,804,188	2,075,624	2,160,056	24.5%	(140,055)	4,320	130,300	\$21.85
Katy/Grand Parkway W	288	3,342,456	131,904	139,599	4.2%	46,699	60,584	23,100	\$28.09
Kingwood/Humble	94	2,259,995	232,266	232,266	10.3%	(83,745)	0	0	\$25.06
Liberty County	12	92,060	2,534	2,534	2.8%	948	0	0	\$0.00
Midtown	153	4,442,918	319,661	350,866	7.9%	(106,022)	0	0	\$27.62
NASA/Clear Lake	244	5,933,301	1,159,061	1,160,153	19.6%	106,662	7,400	6,800	\$20.62
North Loop West	108	3,470,605	513,777	515,245	14.8%	(22,676)	15,000	10,020	\$22.53
Northeast Near	34	707,321	47,537	47,537	6.7%	34,565	0	0	\$18.66
Northeast Outlier	43	669,636	49,351	49,351	7.4%	(9,468)	0	8,000	\$23.33
Northwest Far	45	2,671,814	432,890	432,890	16.2%	90,833	0	0	\$15.72
Northwest Near	19	798,494	78,152	78,152	9.8%	(13,378)	0	0	\$18.85
Northwest Outlier	116	1,103,191	112,517	122,550	11.1%	13,202	27,320	47,141	\$25.74
Outlying Chambers Co.	6	22,672	0	0	0.0%	0	0	7,421	\$21.60
Outlying Montgomery .	84	835,415	79,058	79,058	9.5%	14,148	5,000	38,552	\$24.37
Outlying Waller Coun.	6	31,728	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	20	1,880,948	404,156	404,156	21.5%	(119,789)	0	0	\$27.99
Richmond/Fountainvie.	30	1,117,587	151,749	151,749	13.6%	8,200	0	4,500	\$18.17
Riverway	15	1,084,389	160,749	163,305	15.1%	2,769	0	0	\$25.57
San Felipe/Voss	37	3,541,897	603,499	639,726	18.1%	(66,657)	0	0	\$24.81
San Jacinto County	1	27,261	0	0	0.0%	0	0	0	\$0.00
South	97	1,567,566	138,119	138,119	8.8%	(12,264)	0	32,900	\$26.61
South Hwy 35	39	377,988	10,084	10,084	2.7%	7,487	0	15,000	\$17.92
South Main/Medical C.	78	6,104,196	209,319	214,964	3.5%	10,432	0	0	\$22.46
Southeast Outlier	119	2,456,137	246,066	249,198	10.1%	19,596	20,070	15,000	\$21.15
Southwest Beltway 8	97	5,598,624	965,784	1,024,671	18.3%	(153,621)	0	0	\$18.11
Southwest Far	36	955,466	255,604	255,604	26.8%	872	0	0	\$24.95
Southwest Outlier	87	1,193,407	131,777	131,777	11.0%	28,853	8,100	0	\$25.07
Southwest/Hillcroft	29	1,934,044	363,515	363,515	18.8%	(38,025)	0	0	\$13.67
The Woodlands	393	7,916,784	739,036	774,766	9.8%	147,418	73,400	68,000	\$26.14
West Belt	58	2,293,098	367,418	469,307	20.5%	(18,139)	11,500	6,000	\$19.36
Westchase	74	8,062,297	1,685,968	1,721,444	21.4%	(229,464)	21,000	0	\$21.91
Totals	4,004	138,336,468	20,511,107	21,201,085	15.3%	(691,881)	498,761	547,443	\$22.04

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class C Submarket Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	30	108,446	5,078	5,078	4.7%	1,600	0	0	\$13.71
Baytown	94	601,798	29,527	29,527	4.9%	38,739	0	0	\$18.27
Bellaire	43	739,172	40,321	40,321	5.5%	9,692	0	0	\$18.59
CBD	59	1,717,892	109,151	109,151	6.4%	4,447	0	0	\$20.43
Conroe	175	1,134,694	63,080	63,080	5.6%	(4,138)	0	0	\$17.69
E Fort Bend Co/Sugar.	97	811,241	14,182	14,182	1.7%	(1,165)	0	0	\$20.03
FM 1960/Champions	127	1,273,090	138,891	138,891	10.9%	49,686	0	0	\$15.56
FM 1960/Hwy 249	168	1,111,422	53,979	53,979	4.9%	(10,498)	0	0	\$16.10
FM 1960/I-45 North	40	465,941	107,883	107,883	23.2%	(11,884)	0	0	\$18.57
Galleria/Uptown	7	132,598	0	0	0.0%	0	0	0	\$0.00
Greenspoint/IAH	26	281,683	4,140	4,140	1.5%	5,235	0	0	\$9.06
Greenspoint/N Belt W.	46	1,755,100	419,341	422,098	24.0%	23,098	0	0	\$12.72
Greenway Plaza	203	1,439,557	59,388	59,388	4.1%	16,049	0	0	\$24.76
Gulf Freeway/Pasaden.	428	3,446,685	329,107	329,107	9.5%	(15,500)	0	0	\$17.23
I-10 East	100	673,767	44,955	44,955	6.7%	(1,169)	0	0	\$18.32
Katy Freeway East	149	2,176,031	97,485	98,854	4.5%	(10,337)	0	0	\$21.88
Katy Freeway West	51	779,551	97,380	101,217	13.0%	(52,335)	0	0	\$19.48
Katy/Grand Parkway W.	96	592,900	23,366	23,366	3.9%	31,534	0	0	\$21.10
Kingwood/Humble	124	937,057	52,856	52,856	5.6%	32,878	0	0	\$18.54
Liberty County	57	256,368	6,517	6,517	2.5%	3,759	0	0	\$0.00
Midtown	388	2,461,484	189,015	189,015	7.7%	(70,888)	0	0	\$25.55
NASA/Clear Lake	255	2,007,349	151,357	151,357	7.5%	5,207	0	0	\$19.01
North Loop West	228	1,438,262	67,018	70,018	4.9%	(1,830)	0	0	\$20.18
Northeast Near	110	909,183	35,487	35,487	3.9%	8,800	0	0	\$17.93
Northeast Outlier	42	220,626	6,050	6,050	2.7%	5,917	0	0	\$15.20
Northwest Far	81	953,990	72,670	72,670	7.6%	(20,577)	0	0	\$15.78
Northwest Near	34	637,372	59,990	59,990	9.4%	(23,011)	0	0	\$15.52
Northwest Outlier	126	470,839	23,299	23,299	4.9%	12,201	0	0	\$20.36
Outlying Chambers Co.	15	41,503	0	0	0.0%	0	0	0	\$0.00
Outlying Montgomery .	100	389,786	12,186	12,186	3.1%	4,000	0	0	\$18.43
Outlying Waller Coun.	16	86,705	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	13	173,287	257	257	0.1%	7,295	0	0	\$22.50
Richmond/Fountainvie.	88	1,131,394	53,023	53,023	4.7%	(29,203)	0	0	\$15.08
Riverway	4	120,274	2,943	2,943	2.4%	(2,943)	0	0	\$20.82
San Felipe/Voss	11	103,816	0	0	0.0%	1,066	0	0	\$25.79
San Jacinto County	2	11,878	0	0	0.0%	0	0	0	\$0.00
South	153	908,867	65,630	65,630	7.2%	33,018	0	0	\$19.77
South Hwy 35	111	424,878	22,921	22,921	5.4%	1,101	0	0	\$16.05
South Main/Medical C.	146	2,744,215	101,312	104,012	3.8%	(25,024)	0	0	\$22.32
Southeast Outlier	221	1,418,943	84,771	84,771	6.0%	21,883	0	0	\$15.76
Southwest Beltway 8	92	1,321,937	59,492	59,492	4.5%	(17,672)	0	0	\$15.73
Southwest Far	53	338,869	2,433	2,433	0.7%	4,307	0	0	\$16.90
Southwest Outlier	116	446,849	33,831	33,831	7.6%	3,659	0	0	\$16.67
Southwest/Hillcroft	71	1,839,517	234,614	234,614	12.8%	(3,818)	0	0	\$15.39
The Woodlands	178	1,352,356	41,979	41,979	3.1%	31,787	0	0	\$23.63
West Belt	20	212,243	0	0	0.0%	0	0	0	\$0.00
Westchase	29	828,486	26,481	26,481	3.2%	5,675	0	0	\$15.27
Totals	4,823	43,429,901	3,043,386	3,057,049	7.0%	60,641	0	0	\$18.00

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Total Office Submarket Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Austin County	43	260,926	7,630	7,630	2.9%	(952)	0	0	\$13.71
Baytown	138	1,674,311	97,349	97,349	5.8%	41,362	6,172	0	\$20.19
Bellaire	89	5,004,495	356,624	384,314	7.7%	(8,529)	0	5,000	\$25.45
CBD	161	50,511,404	8,323,639	9,564,960	18.9%	(151,217)	0	1,884,925	\$40.43
Conroe	259	2,682,243	222,774	222,774	8.3%	88,357	80,999	0	\$22.61
E Fort Bend Co/Sugar.	398	9,897,066	795,514	970,155	9.8%	4,712	87,145	74,351	\$26.21
FM 1960/Champions	255	4,385,753	648,758	648,758	14.8%	78,883	43,600	0	\$15.95
FM 1960/Hwy 249	410	8,499,656	875,639	922,651	10.9%	(93,380)	52,350	231,883	\$24.02
FM 1960/I-45 North	109	2,526,436	552,438	559,826	22.2%	(21,881)	0	0	\$18.51
Galleria/Uptown	66	16,860,233	2,180,149	2,658,052	15.8%	425,890	104,579	0	\$36.20
Greenspoint/IAH	55	3,135,808	795,387	802,511	25.6%	21,334	0	0	\$18.76
Greenspoint/N Belt W.	118	11,068,936	4,875,332	4,965,478	44.9%	(207,495)	0	0	\$18.96
Greenway Plaza	279	13,090,710	1,904,108	1,967,198	15.0%	(77,598)	0	0	\$31.39
Gulf Freeway/Pasaden.	628	7,992,351	869,379	879,934	11.0%	47,785	107,876	10,327	\$20.70
I-10 East	131	1,335,717	129,517	129,517	9.7%	16,864	0	0	\$18.22
Katy Freeway East	262	11,633,837	1,060,794	1,169,705	10.1%	168,417	0	102,474	\$27.37
Katy Freeway West	259	28,519,485	5,001,263	6,757,329	23.7%	59,670	4,320	130,300	\$28.35
Katy/Grand Parkway W.	410	6,170,123	649,615	665,056	10.8%	352,379	225,584	23,100	\$28.47
Kingwood/Humble	221	3,386,364	318,997	318,997	9.4%	(75,349)	0	100,000	\$24.32
Liberty County	69	348,428	9,051	9,051	2.6%	4,707	0	0	\$0.00
Midtown	550	9,544,122	868,695	911,916	9.6%	(83,114)	0	37,500	\$29.60
NASA/Clear Lake	517	10,188,586	1,543,657	1,547,139	15.2%	86,715	7,400	87,139	\$21.63
North Loop West	342	6,149,411	1,075,169	1,083,541	17.6%	(149,628)	15,000	10,020	\$23.94
Northeast Near	147	2,258,727	104,726	104,726	4.6%	54,246	0	0	\$18.28
Northeast Outlier	86	926,662	55,401	55,401	6.0%	(3,551)	0	8,000	\$21.66
Northwest Far	130	4,423,041	855,942	857,145	19.4%	55,253	0	0	\$17.13
Northwest Near	53	1,435,866	138,142	138,142	9.6%	(36,389)	0	0	\$17.15
Northwest Outlier	243	1,739,701	206,340	216,373	12.4%	63,333	27,320	47,141	\$26.11
Outlying Chambers Co.	21	64,175	0	0	0.0%	0	0	7,421	\$21.60
Outlying Montgomery .	187	1,328,650	147,693	147,693	11.1%	43,148	5,000	38,552	\$23.15
Outlying Waller Coun.	22	118,433	0	0	0.0%	0	0	0	\$0.00
Post Oak Park	42	4,672,103	1,283,742	1,360,733	29.1%	(90,457)	0	0	\$32.97
Richmond/Fountainvie.	118	2,248,981	204,772	204,772	9.1%	(21,003)	0	4,500	\$17.19
Riverway	25	3,134,476	552,785	567,883	18.1%	56,778	0	0	\$30.92
San Felipe/Voss	51	5,366,506	1,078,900	1,135,906	21.2%	(114,339)	0	0	\$29.96
San Jacinto County	3	39,139	0	0	0.0%	0	0	0	\$0.00
South	256	3,175,703	257,647	257,647	8.1%	21,563	25,000	32,900	\$25.95
South Hwy 35	150	802,866	33,005	33,005	4.1%	8,588	0	15,000	\$16.61
South Main/Medical C.	238	13,302,821	498,548	506,893	3.8%	23,373	0	0	\$25.87
Southeast Outlier	343	4,121,462	357,938	361,070	8.8%	57,048	20,070	15,000	\$20.74
Southwest Beltway 8	192	7,487,260	1,117,446	1,176,333	15.7%	(159,149)	0	0	\$18.11
Southwest Far	91	1,453,055	277,774	277,774	19.1%	5,179	0	0	\$23.22
Southwest Outlier	204	1,739,118	210,000	210,000	12.1%	32,512	8,100	0	\$24.21
Southwest/Hillcroft	106	5,262,654	945,885	975,048	18.5%	(4,479)	0	0	\$16.45
The Woodlands	628	21,845,607	1,913,425	2,009,721	9.2%	290,713	73,400	971,140	\$28.95
West Belt	108	6,885,864	1,066,272	1,530,084	22.2%	(189,823)	11,500	6,000	\$25.97
Westchase	137	18,893,245	3,645,730	4,385,686	23.2%	(474,908)	21,000	0	\$26.00
Totals	9,350	327,592,516	48,113,591	53,755,876	16.4%	145,568	926,415	3,842,673	\$28.44

Source: CoStar Property®

Houston Office Market



Figures at a Glance

Class A Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	37	33,352,146	5,184,153	6,354,443	19.1%	(49,603)	0	1,884,925	\$42.92
Suburban	486	112,474,001	19,374,945	23,143,299	20.6%	826,411	427,654	1,410,305	\$30.40
Totals	523	145,826,147	24,559,098	29,497,742	20.2%	776,808	427,654	3,295,230	\$33.93

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	65	15,441,366	3,030,335	3,101,366	20.1%	(106,061)	0	0	\$28.87
Suburban	3,939	122,895,102	17,480,772	18,099,719	14.7%	(585,820)	498,761	547,443	\$21.45
Totals	4,004	138,336,468	20,511,107	21,201,085	15.3%	(691,881)	498,761	547,443	\$22.04

Source: CoStar Property®

Class C Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	59	1,717,892	109,151	109,151	6.4%	4,447	0	0	\$20.43
Suburban	4,764	41,712,009	2,934,235	2,947,898	7.1%	56,194	0	0	\$17.91
Totals	4,823	43,429,901	3,043,386	3,057,049	7.0%	60,641	0	0	\$18.00

Source: CoStar Property®

Class A & B Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	102	48,793,512	8,214,488	9,455,809	19.4%	(155,664)	0	1,884,925	\$40.65
Suburban	4,425	235,369,103	36,855,717	41,243,018	17.5%	240,591	926,415	1,957,748	\$26.19
Totals	4,527	284,162,615	45,070,205	50,698,827	17.8%	84,927	926,415	3,842,673	\$29.07

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	161	50,511,404	8,323,639	9,564,960	18.9%	(151,217)	0	1,884,925	\$40.43
Suburban	9,189	277,081,112	39,789,952	44,190,916	15.9%	296,785	926,415	1,957,748	\$25.63
Totals	9,350	327,592,516	48,113,591	53,755,876	16.4%	145,568	926,415	3,842,673	\$28.44

Source: CoStar Property®



Houston Office Market

Figures at a Glance

Class A Market Statistics

Third Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 3q	523	145,826,147	24,559,098	29,497,742	20.2%	645,905	0	0	14	3,295,230	\$33.93
2018 2q	522	145,794,585	24,849,027	30,112,085	20.7%	837,894	2	108,076	13	2,171,371	\$33.11
2018 1q	520	145,686,509	24,616,560	30,841,903	21.2%	(706,991)	3	319,578	12	1,922,333	\$33.33
2017 4q	517	145,366,931	24,505,500	29,815,334	20.5%	532,291	4	794,759	14	2,139,437	\$33.25
2017 3q	514	144,809,556	24,474,907	29,790,250	20.6%	(647,690)	1	86,523	16	2,873,909	\$33.37
2017 2q	511	144,673,033	24,329,245	29,006,037	20.0%	(878,964)	1	171,996	15	2,544,933	\$33.49
2017 1q	510	144,717,443	23,734,492	28,171,483	19.5%	(584,628)	3	1,677,158	13	1,669,811	\$33.23
2016	507	143,040,285	21,660,349	25,909,697	18.1%	306,430	18	5,137,827	13	2,912,093	\$33.33
2015	487	137,585,082	17,011,285	20,760,924	15.1%	4,510,429	44	10,794,949	26	7,511,007	\$34.20
2014	436	125,414,862	11,784,996	13,101,133	10.4%	7,079,429	35	7,514,551	61	17,077,321	\$34.69
2013	397	117,288,062	10,598,669	12,053,762	10.3%	4,055,643	16	2,912,206	53	13,128,477	\$32.09
2012	377	113,467,316	11,595,994	12,288,659	10.8%	3,428,253	5	1,351,110	42	10,942,474	\$31.21
2011	371	111,995,980	13,470,758	14,245,576	12.7%	2,582,010	4	1,329,013	8	2,401,796	\$29.86
2010	366	110,133,091	14,321,924	14,964,697	13.6%	861,491	2	218,293	8	3,209,973	\$29.02
2009	363	109,892,092	14,539,066	15,585,189	14.2%	2,132,181	21	4,250,062	6	2,092,236	\$29.84
2008	336	104,471,420	11,386,457	12,296,698	11.8%	3,346,045	16	3,334,069	31	7,409,226	\$29.11

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 3q	4,004	138,336,468	20,511,107	21,201,085	15.3%	437,056	10	82,882	44	547,443	\$22.04
2018 2q	3,990	138,188,361	20,794,079	21,490,034	15.6%	(770,358)	17	156,342	42	583,040	\$22.03
2018 1q	3,971	138,095,376	20,066,060	20,626,691	14.9%	(358,579)	26	259,537	54	694,825	\$21.73
2017 4q	3,943	137,821,292	19,371,191	19,997,975	14.5%	261,494	15	276,711	63	651,404	\$21.81
2017 3q	3,927	137,764,857	19,573,895	20,203,034	14.7%	(162,493)	14	192,293	62	824,423	\$21.56
2017 2q	3,911	137,565,064	19,204,641	19,840,748	14.4%	329,832	19	193,910	66	898,365	\$21.61
2017 1q	3,883	137,297,324	19,271,485	19,902,840	14.5%	(486,041)	21	271,296	74	1,065,094	\$21.46
2016	3,862	137,026,028	18,277,570	19,145,503	14.0%	(833,227)	61	573,097	68	1,046,719	\$21.48
2015	3,776	137,049,023	17,394,669	18,335,271	13.4%	(237,284)	75	1,637,651	74	769,696	\$21.48
2014	3,669	135,207,307	15,713,235	16,256,271	12.0%	1,719,550	88	1,137,992	89	1,866,261	\$21.07
2013	3,556	134,721,159	17,132,295	17,489,673	13.0%	1,074,512	45	663,494	101	1,275,307	\$20.24
2012	3,494	133,824,386	17,178,815	17,667,412	13.2%	2,001,198	40	603,429	48	908,220	\$19.53
2011	3,433	133,221,441	18,651,655	19,065,665	14.3%	799,077	44	561,531	52	960,654	\$18.99
2010	3,370	132,425,658	18,503,138	19,068,959	14.4%	534,176	46	462,231	48	714,670	\$18.83
2009	3,300	131,538,904	17,866,485	18,716,381	14.2%	204,485	79	1,688,597	63	859,087	\$19.23
2008	3,191	129,217,143	15,868,765	16,599,105	12.8%	1,053,196	132	2,220,656	94	2,082,723	\$19.76

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 3q	9,350	327,592,516	48,113,591	53,755,876	16.4%	1,138,149	10	82,882	58	3,842,673	\$28.44
2018 2q	9,335	327,412,847	48,738,104	54,714,356	16.7%	125,648	19	264,418	55	2,754,411	\$27.87
2018 1q	9,317	327,286,894	47,891,008	54,714,051	16.7%	(1,118,229)	29	579,115	66	2,617,158	\$27.76
2017 4q	9,285	326,683,440	47,049,600	53,006,107	16.2%	714,626	19	1,071,470	77	2,790,841	\$27.66
2017 3q	9,267	326,155,316	47,221,187	53,192,609	16.3%	(1,008,659)	15	278,816	78	3,698,332	\$27.46
2017 2q	9,249	325,844,200	46,427,687	51,872,834	15.9%	(598,183)	20	365,906	81	3,443,298	\$27.57
2017 1q	9,222	325,736,826	45,929,371	51,167,277	15.7%	(1,242,189)	24	1,948,454	87	2,734,905	\$27.43
2016	9,201	323,825,958	42,735,547	48,014,220	14.8%	(533,330)	79	5,710,924	81	3,958,812	\$27.34
2015	9,103	318,711,559	37,661,451	42,366,491	13.3%	4,429,019	120	12,434,116	100	8,280,703	\$27.89
2014	8,952	305,042,931	31,256,108	33,126,882	10.9%	9,298,807	125	8,681,106	152	18,946,358	\$27.37
2013	8,810	296,742,218	32,151,596	34,124,976	11.5%	4,618,647	61	3,575,700	156	14,432,347	\$25.47
2012	8,734	292,278,927	33,069,141	34,280,332	11.7%	5,115,102	47	1,959,464	90	11,850,694	\$24.42
2011	8,661	290,194,386	36,064,471	37,310,893	12.9%	2,977,410	50	1,900,633	67	3,398,200	\$22.99
2010	8,590	287,849,595	36,710,385	37,943,512	13.2%	1,570,058	52	705,562	62	3,950,243	\$22.83
2009	8,510	286,658,297	36,418,411	38,322,272	13.4%	2,519,320	106	5,959,578	76	3,004,741	\$23.70
2008	8,360	278,869,092	31,388,107	33,052,387	11.9%	4,298,102	166	5,648,539	136	9,529,203	\$23.84

Source: CoStar Property®

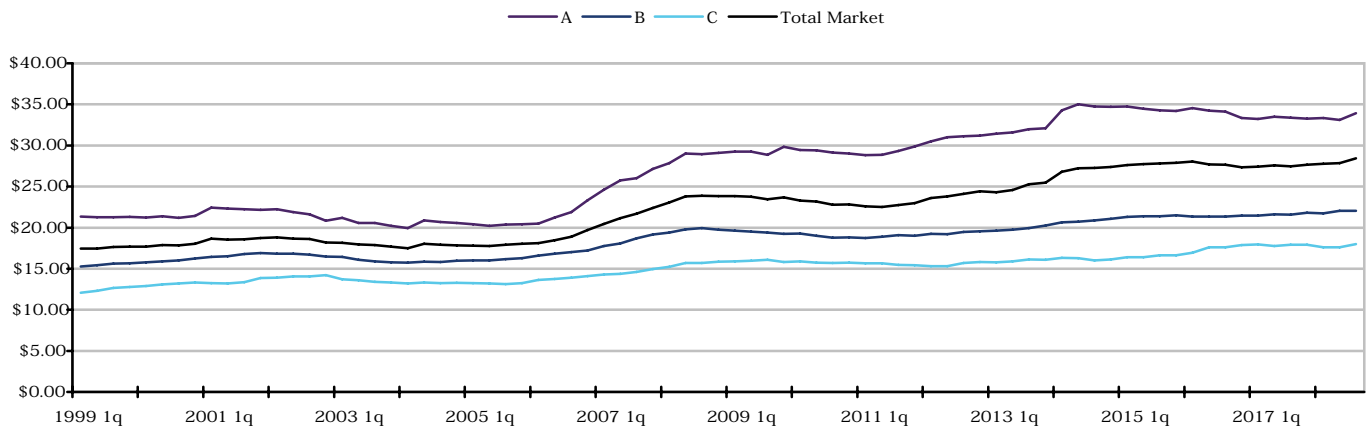
Houston Office Market



Leasing Activity

Historical Rental Rates

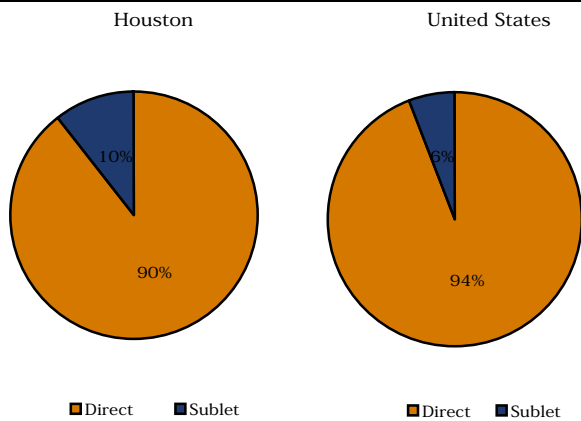
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

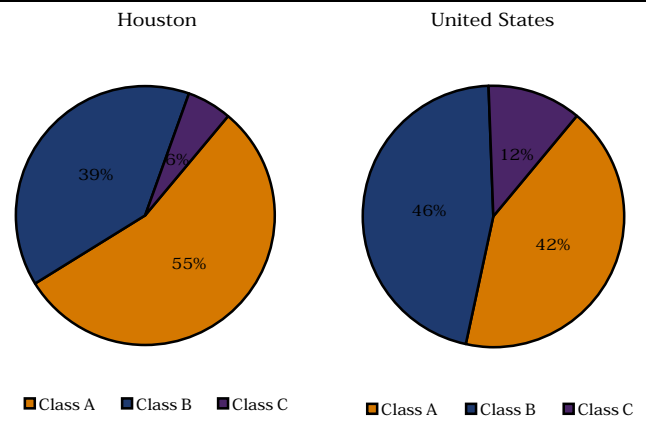
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Class

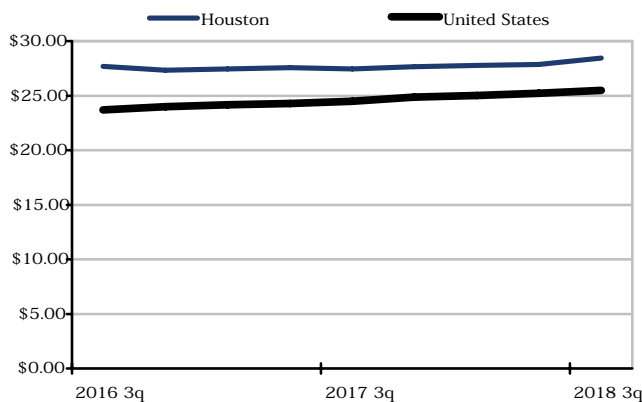
Percent of All Vacant Space by Class



Source: CoStar Property®

U.S. Rental Rate Comparison

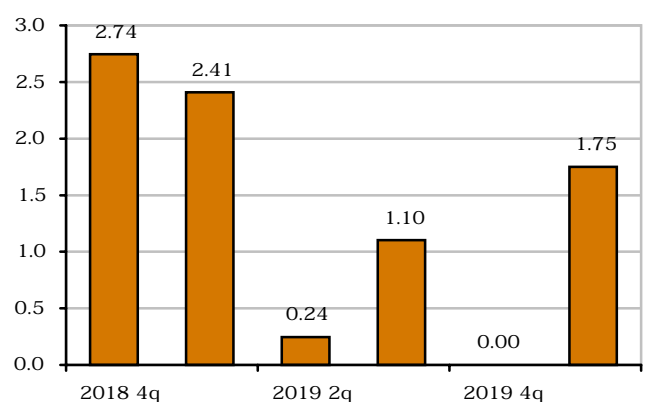
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®



Houston Office Market

Leasing Activity

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

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 2000 Post Oak Blvd.*	Galleria/Uptown	390,717	1st	Apache Corporation	Cushman & Wakefield	Parkway Realty Management, LLC
2 2800 Post Oak Blvd.*	Galleria/Uptown	298,955	1st	Transco	JLL	CBRE
3 801 Texas Ave.	CBD	208,000	3rd	Vinson & Elkins LLP	Cushman & Wakefield	Colvill Office Properties
4 1990 Post Oak Blvd.*	Galleria/Uptown	145,907	1st	Apache Corporation	Cushman & Wakefield	Parkway Realty Management, LLC
5 1401 McKinney St.	CBD	119,875	3rd	Ernst & Young, LLP	CBRE	Transwestern
6 500 Jefferson St.	CBD	118,896	2nd	Harris County Veterans Service Office	N/A	Greenmark Realty
7 1001 Louisiana St.	CBD	93,896	3rd	Constellation	N/A	CBRE
8 15021 Katy Fwy*	Katy Freeway West	89,102	1st	Alta Mesa Resources	Cypressbrook Company	N/A
9 10720 W Sam Houston Pky N.	West Belt	86,644	3rd	N/A	N/A	Exeter Property Group
10 15377 Memorial Dr.	Katy Freeway West	85,800	3rd	N/A	N/A	Savills Studley
11 10713 W Sam Houston Pky N.	West Belt	82,941	2nd	Acclara Solutions	Cushman & Wakefield	Stream Realty Partners, LP
12 1330 Post Oak Blvd	Galleria/Uptown	60,678	3rd	N/A	N/A	Transwestern
13 1360 Post Oak Blvd	Galleria/Uptown	59,075	2nd	Sheridan Production Co LLC	Cushman & Wakefield	Cushman & Wakefield
14 609 Main St.	CBD	56,425	3rd	N/A	N/A	Colvill Office Properties
15 2600 N Loop Fwy W.*	North Loop West	54,891	1st	PFS Group	NAI Partners	N/A
16 2050 W Sam Houston Pky S.	Westchase	53,544	3rd	Cardtronics	N/A	JLL
17 1430 Enclave Pky*	Katy Freeway West	51,153	2nd	Schlumberger	N/A	Colvill Office Properties
18 5444 Westheimer Rd.	Galleria/Uptown	47,958	1st	Fiesta Mart	N/A	CBRE
19 9811 Katy Fwy	Katy Freeway East	46,720	1st	FairfieldNodal	NAI Partners	CBRE
20 11000 Equity Dr.	West Belt	44,894	3rd	Exterran Energy Solutions	JLL	Transwestern
21 7501 Fannin St.	South Main/Medical Center	43,601	1st	United General Hospital	Greenberg & Company	NAI Partners
22 5718 Westheimer Rd.	San Felipe/Voss	42,999	1st	Khou	N/A	CBRE
23 15400 Southwest Fwy*	E Fort Bend Co/Sugar Land	42,198	3rd	Texas Children Health Centers	JLL	N/A
24 15011 Katy Fwy	Katy Freeway West	41,880	2nd	Atlantia Resource, LLC	Direct Deal	CBRE
25 500 Jefferson St.	CBD	39,632	1st	Lone Star Legal Aid	Direct Deal	Greenmark Realty
26 2100 Travis St.	Midtown	34,675	1st	IQOR	N/A	Transwestern
27 11125 W Equity Dr. N.	West Belt	34,196	3rd	N/A	N/A	Transwestern
28 4700 W Sam Houston Pky N.	West Belt	33,713	3rd	N/A	N/A	JLL
29 2200 Post Oak Blvd.	Galleria/Uptown	32,872	1st	FirmSpace	N/A	Stream Realty Partners, LP
30 1001 Louisiana St.	CBD	31,897	3rd	N/A	N/A	Cushman & Wakefield
31 811 Louisiana St.	CBD	31,834	3rd	Targa Resources Corp.	N/A	Colvill Office Properties
32 609 Main St.	CBD	31,045	2nd	Simmons & Company International Energy	Cushman & Wakefield	Colvill Office Properties
33 2001 Timberloch Pl.	The Woodlands	30,355	3rd	WorkSuites	NAI Partners; esrp	Stream Realty Partners, LP
34 4126 Southwest Fwy	Greenway Plaza	29,142	2nd	T-Mobile	Waterman Steele	Avison Young
35 1331 Lamar St.	CBD	28,907	3rd	N/A	N/A	Transwestern
36 1001 Fannin St.*	CBD	27,641	1st	Liskow & Lewis	CBRE	Colvill Office Properties
37 1880 S Dairy Ashford Rd	Katy Freeway West	27,314	3rd	N/A	N/A	Hartman Management, LP
38 11330 Clay Rd	West Belt	27,225	3rd	N/A	Colliers International	Cushman & Wakefield
39 16290 Katy Fwy	Katy Freeway West	26,800	3rd	Hargrove	N/A	Pollan Hausman Real Estate
40 2050 W Sam Houston Pky S	Westchase	26,772	3rd	P97	Jackson Cooksey	Cushman & Wakefield

Source: CoStar Property®

* Renewal

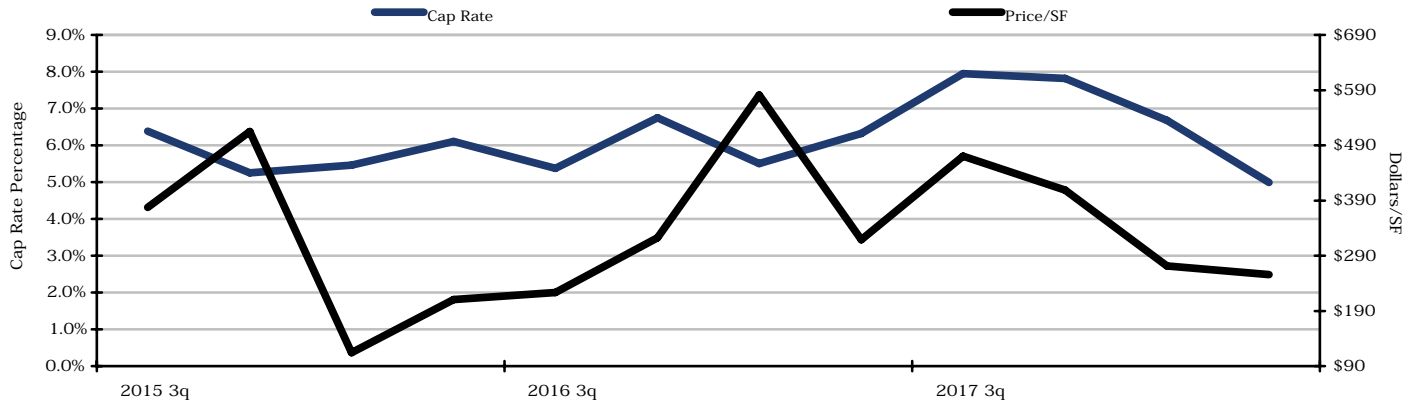
Houston Office Market



Sales Activity

The Optimist Sales Index

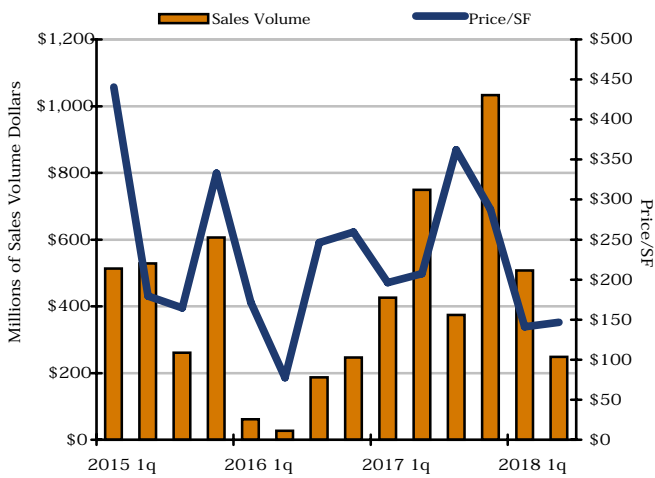
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



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

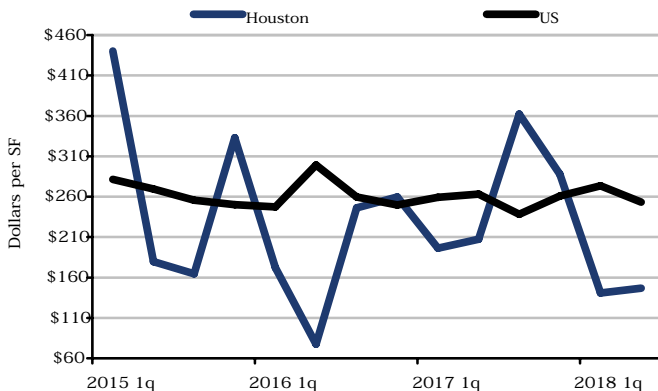
Based on Office Building Sales From July 2017 - June 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	42	477,541	\$76,727,901	\$ 160.67	6.76%
50K-249K SF	13	1,948,368	\$307,627,400	\$ 157.89	7.68%
250K-499K SF	5	1,584,088	\$425,900,000	\$ 268.86	5.53%
>500K SF	7	6,154,114	\$1,404,400,000	\$ 228.21	7.55%

Source: CoStar COMPS®

U.S. Price/SF Comparison

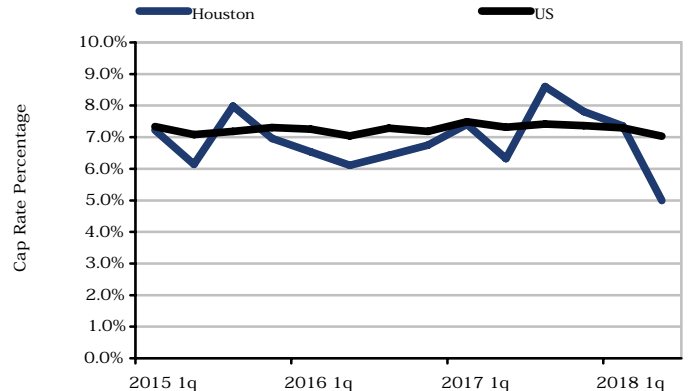
Based on Office Building Sales of 15,000 SF and Larger



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 July 2017 Through September 2018

1. 2000 Post Oak Blvd



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**
 Seller: **Parkway, Inc.**

2. 6400 Fannin St



Houston

Price: **\$405,000,000**
 Price/SF: **\$793.57**
 Cap Rate: **N/A**
 RBA: **510,355**
 Date: **7/23/2015**
 Year Built: **2007**
 Buyer: **LaSalle Investment Management**
 Seller: **Mischer Investments, L.P.**

3. 925 N Eldridge Pky



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. 5555 San Felipe St



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.**

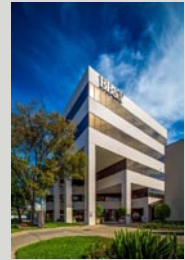
5. 201 Helios Way



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. 6800 West Loop South



Bellaire

Price: **\$101,000,000**
 Price/SF: **\$200.11**
 Cap Rate: **7.75%**
 RBA: **504,721**
 Date: **1/19/2018**
 Year Built: **1979**
 Buyer: **Norvin Healthcare Properties**
 Seller: **Griffin Partners, Inc.**

7. 4888 Loop Central Dr



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.**

8. 2950 N Loop Fwy W



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**

9. 6330 West Loop South



Bellaire

Price: **\$70,400,000**
 Price/SF: **\$252.03**
 Cap Rate: **5.1%**
 RBA: **279,333**
 Date: **5/1/2018**
 Year Built: **1976**
 Buyer: **Partners Group AG**
 Seller: **Accesso Partners, LLC**

Houston Office Market

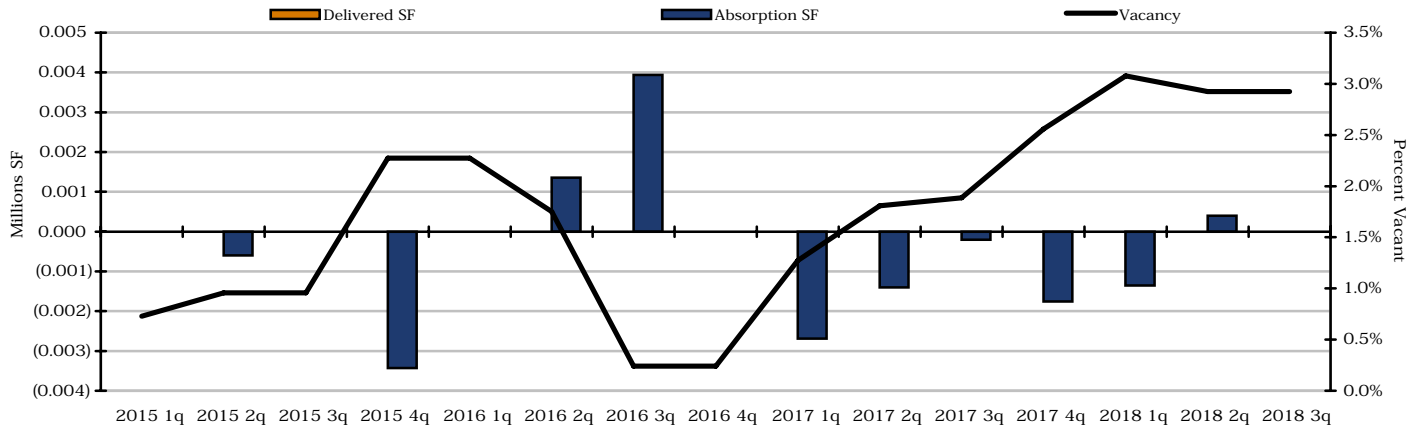


Austin County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

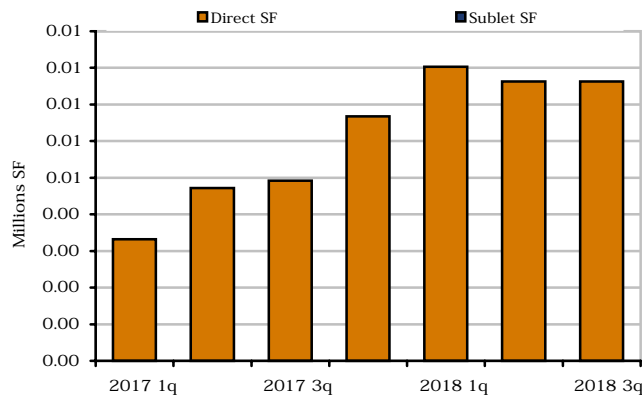
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

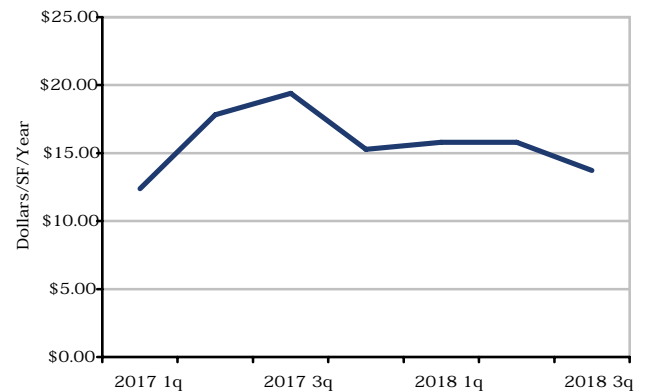
Historical Analysis, All Classes



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 3q	43	260,926	7,630	2.9%	0	0	0	0	0	\$13.71
2018 2q	43	260,926	7,630	2.9%	398	0	0	0	0	\$15.81
2018 1q	43	260,926	8,028	3.1%	(1,350)	0	0	0	0	\$15.81
2017 4q	43	260,926	6,678	2.6%	(1,760)	0	0	0	0	\$15.27
2017 3q	43	260,926	4,918	1.9%	(200)	0	0	0	0	\$19.39
2017 2q	43	260,926	4,718	1.8%	(1,400)	0	0	0	0	\$17.83
2017 1q	43	260,926	3,318	1.3%	(2,688)	0	0	0	0	\$12.38
2016 4q	43	260,926	630	0.2%	0	0	0	0	0	\$0.00
2016 3q	43	260,926	630	0.2%	3,940	0	0	0	0	\$18.10
2016 2q	43	260,926	4,570	1.8%	1,360	0	0	0	0	\$18.10
2016 1q	43	260,926	5,930	2.3%	0	0	0	0	0	\$18.10
2015 4q	43	260,926	5,930	2.3%	(3,430)	0	0	0	0	\$0.00
2015 3q	43	260,926	2,500	1.0%	0	0	0	0	0	\$0.00
2015 2q	43	260,926	2,500	1.0%	(600)	0	0	0	0	\$0.00
2015 1q	43	260,926	1,900	0.7%	0	0	0	0	0	\$0.00
2014 4q	43	260,926	1,900	0.7%	0	0	0	0	0	\$0.00

Source: CoStar Property®

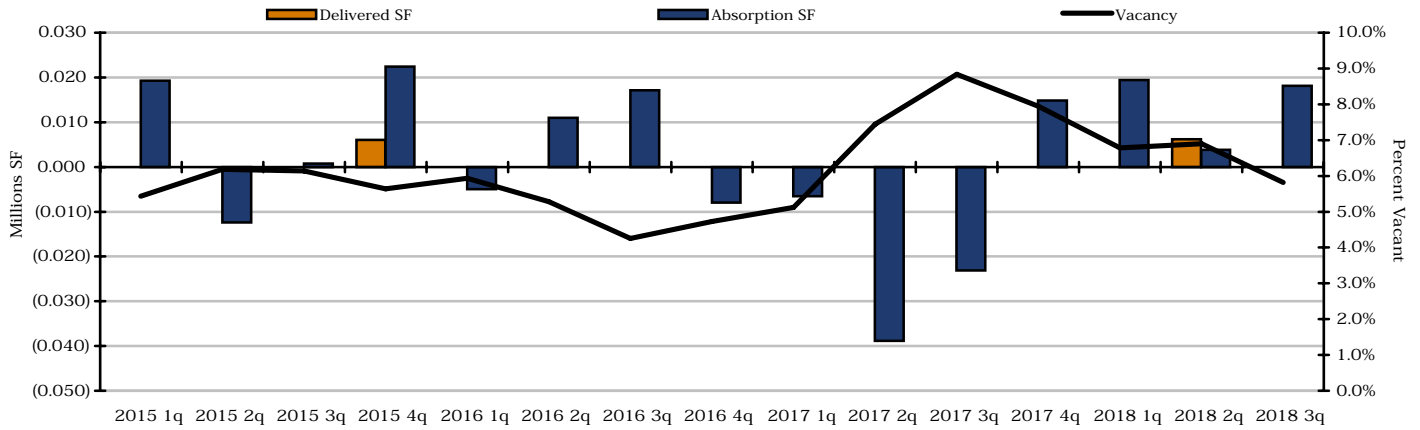


Houston Office Market

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

Deliveries, Absorption & Vacancy

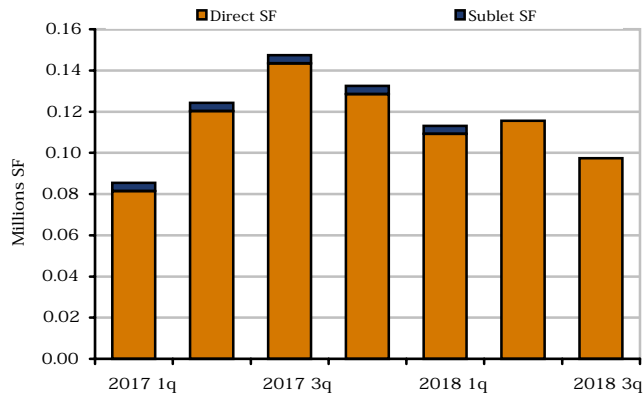
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

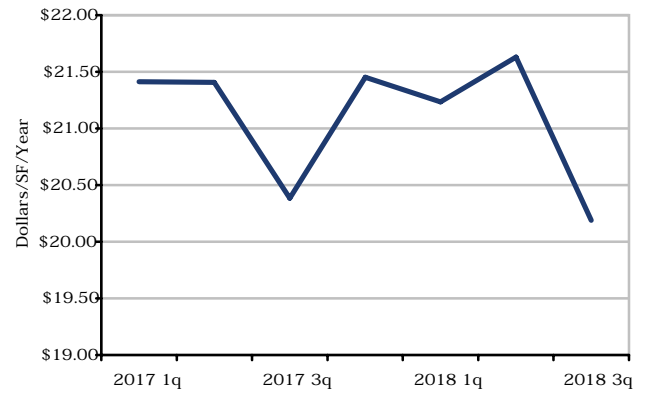
Historical Analysis, All Classes



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 3q	138	1,674,311	97,349	5.8%	18,162	0	0	0	0	\$20.19
2018 2q	138	1,674,311	115,511	6.9%	3,799	1	6,172	0	0	\$21.63
2018 1q	137	1,668,139	113,138	6.8%	19,401	0	0	1	6,172	\$21.24
2017 4q	137	1,668,139	132,539	7.9%	14,823	0	0	1	6,172	\$21.45
2017 3q	137	1,668,139	147,362	8.8%	(23,124)	0	0	1	6,172	\$20.38
2017 2q	137	1,668,139	124,238	7.4%	(38,832)	0	0	1	6,172	\$21.41
2017 1q	137	1,668,139	85,406	5.1%	(6,543)	0	0	0	0	\$21.41
2016 4q	137	1,668,139	78,863	4.7%	(7,946)	0	0	0	0	\$23.00
2016 3q	137	1,668,139	70,917	4.3%	17,152	0	0	0	0	\$19.41
2016 2q	137	1,668,139	88,069	5.3%	10,958	0	0	0	0	\$17.93
2016 1q	137	1,668,139	99,027	5.9%	(4,992)	0	0	0	0	\$18.67
2015 4q	137	1,668,139	94,035	5.6%	22,454	1	6,020	0	0	\$17.89
2015 3q	135	1,653,189	101,539	6.1%	756	0	0	2	14,950	\$18.39
2015 2q	135	1,653,189	102,295	6.2%	(12,409)	0	0	1	8,930	\$17.97
2015 1q	135	1,653,189	89,886	5.4%	19,278	0	0	1	8,930	\$17.55
2014 4q	135	1,653,189	109,164	6.6%	100	0	0	0	0	\$16.56

Source: CoStar Property®

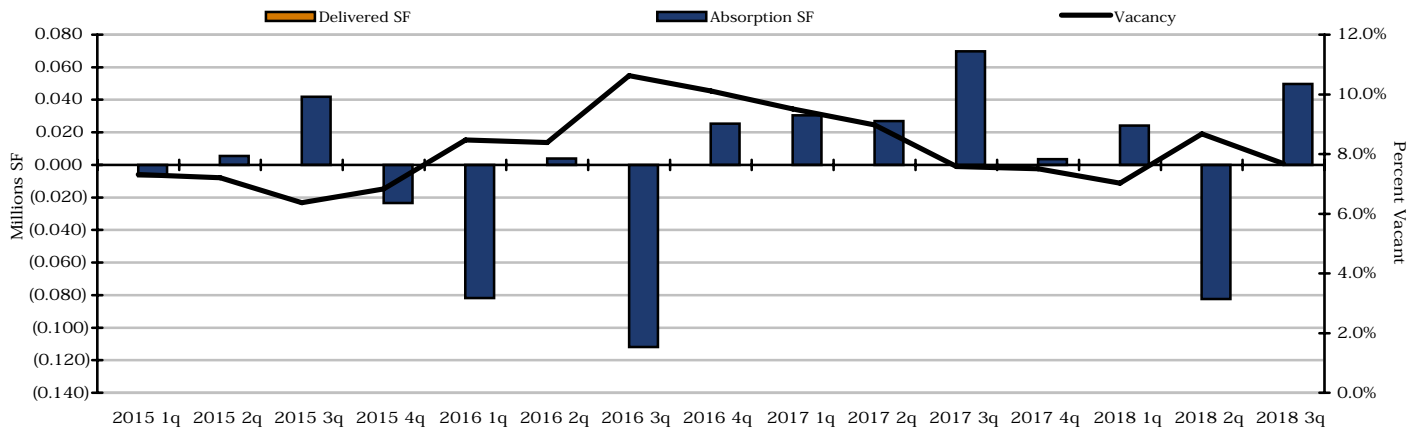
Houston Office Market



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

Deliveries, Absorption & Vacancy

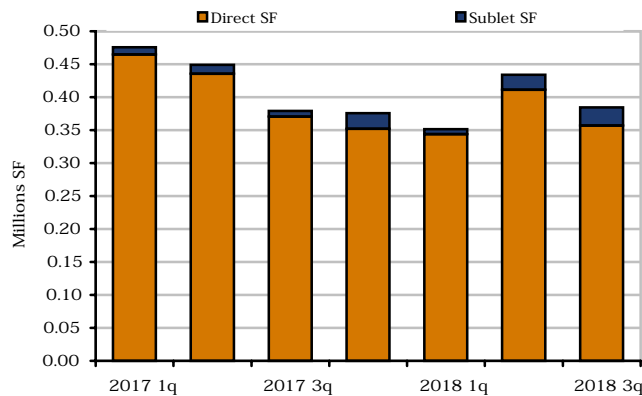
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

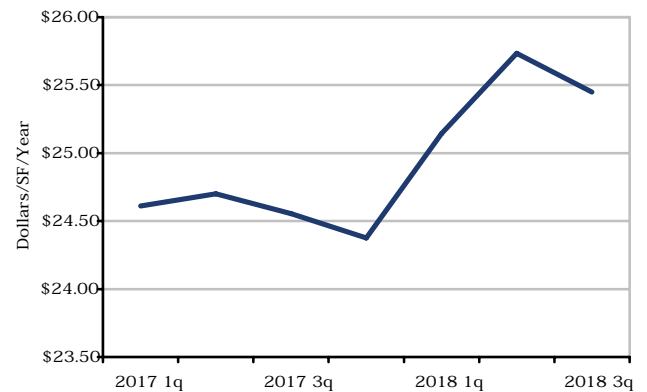
Historical Analysis, All Classes



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 3q	89	5,004,495	384,314	7.7%	49,813	0	0	1	5,000	\$25.45
2018 2q	89	5,004,495	434,127	8.7%	(82,445)	0	0	1	5,000	\$25.73
2018 1q	89	5,004,495	351,682	7.0%	24,103	0	0	1	5,000	\$25.14
2017 4q	89	5,004,495	375,785	7.5%	3,501	0	0	1	5,000	\$24.37
2017 3q	89	5,004,495	379,286	7.6%	69,739	0	0	0	0	\$24.56
2017 2q	89	5,004,495	449,025	9.0%	26,899	0	0	0	0	\$24.70
2017 1q	89	5,004,495	475,924	9.5%	30,384	0	0	0	0	\$24.61
2016 4q	89	5,004,495	506,308	10.1%	25,380	0	0	0	0	\$24.35
2016 3q	89	5,004,495	531,688	10.6%	(111,895)	0	0	0	0	\$24.53
2016 2q	89	5,004,495	419,793	8.4%	3,972	0	0	0	0	\$24.35
2016 1q	89	5,004,495	423,765	8.5%	(81,728)	0	0	0	0	\$24.18
2015 4q	89	5,004,495	342,037	6.8%	(23,399)	0	0	0	0	\$24.15
2015 3q	89	5,004,495	318,638	6.4%	41,957	0	0	0	0	\$25.19
2015 2q	89	5,004,495	360,595	7.2%	5,412	0	0	0	0	\$25.01
2015 1q	89	5,004,495	366,007	7.3%	(6,975)	0	0	0	0	\$24.73
2014 4q	89	5,004,495	359,032	7.2%	11,144	0	0	0	0	\$25.06

Source: CoStar Property®



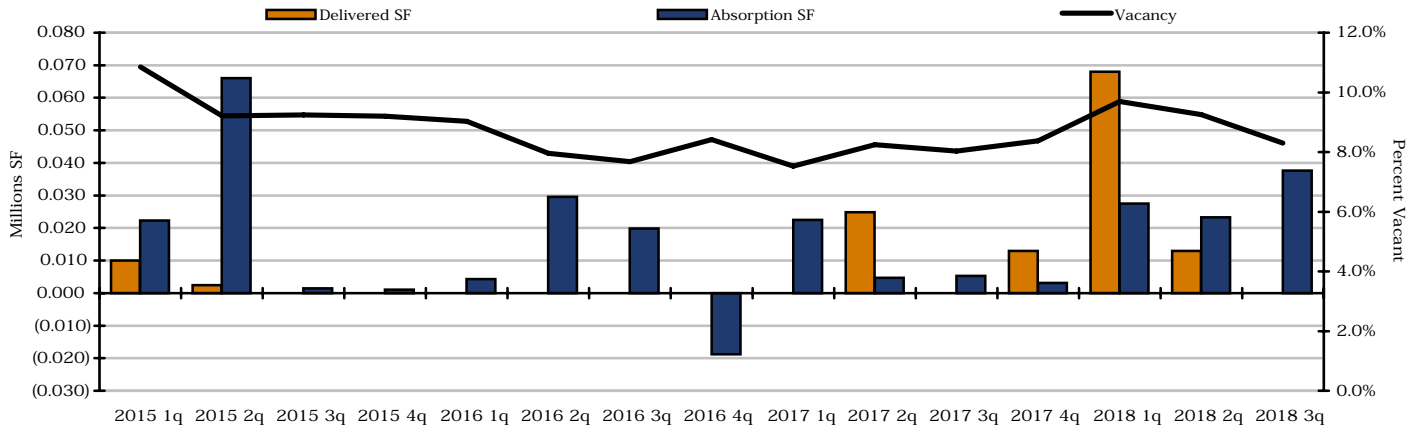
Houston Office Market

Conroe Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

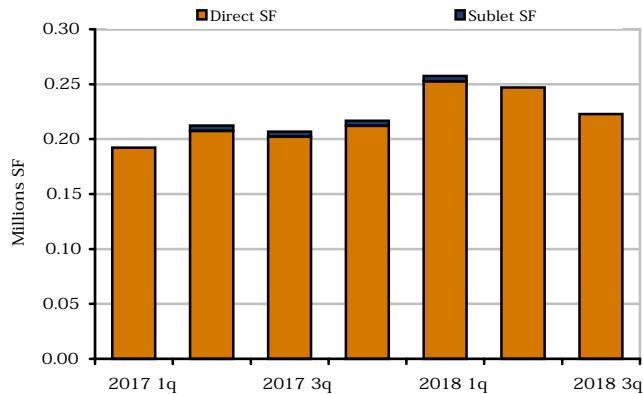
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

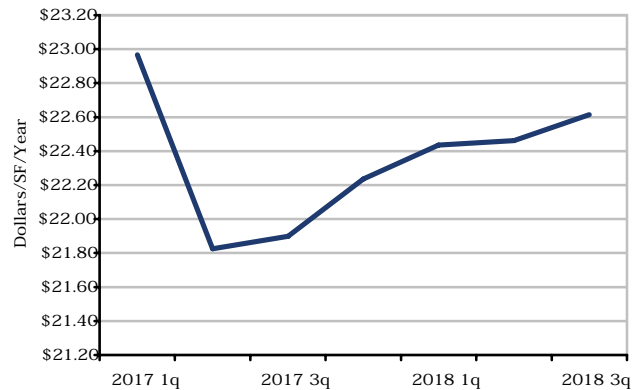
Historical Analysis, All Classes



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 3q	259	2,682,243	222,774	8.3%	37,612	0	0	0	0	\$22.61
2018 2q	258	2,668,922	247,065	9.3%	23,268	1	13,000	1	13,321	\$22.46
2018 1q	257	2,655,922	257,333	9.7%	27,477	2	67,999	2	26,321	\$22.44
2017 4q	255	2,587,923	216,811	8.4%	3,079	1	13,000	3	80,999	\$22.24
2017 3q	254	2,574,923	206,890	8.0%	5,328	0	0	4	93,999	\$21.90
2017 2q	254	2,574,923	212,218	8.2%	4,686	3	24,813	2	31,000	\$21.82
2017 1q	251	2,550,110	192,091	7.5%	22,504	0	0	4	37,813	\$22.97
2016 4q	251	2,550,110	214,595	8.4%	(18,841)	0	0	4	37,813	\$22.79
2016 3q	251	2,550,110	195,754	7.7%	19,797	0	0	2	22,157	\$22.97
2016 2q	249	2,536,365	201,806	8.0%	29,570	0	0	3	23,600	\$22.15
2016 1q	248	2,533,665	228,676	9.0%	4,348	0	0	3	16,445	\$22.76
2015 4q	248	2,533,665	233,024	9.2%	1,083	0	0	3	16,445	\$23.06
2015 3q	248	2,533,665	234,107	9.2%	1,439	0	0	1	2,700	\$22.26
2015 2q	247	2,531,315	233,196	9.2%	66,008	1	2,445	1	2,350	\$21.37
2015 1q	245	2,503,957	271,846	10.9%	22,292	1	10,000	3	29,708	\$22.38
2014 4q	244	2,493,957	284,138	11.4%	(6,123)	0	0	4	39,708	\$22.65

Source: CoStar Property®

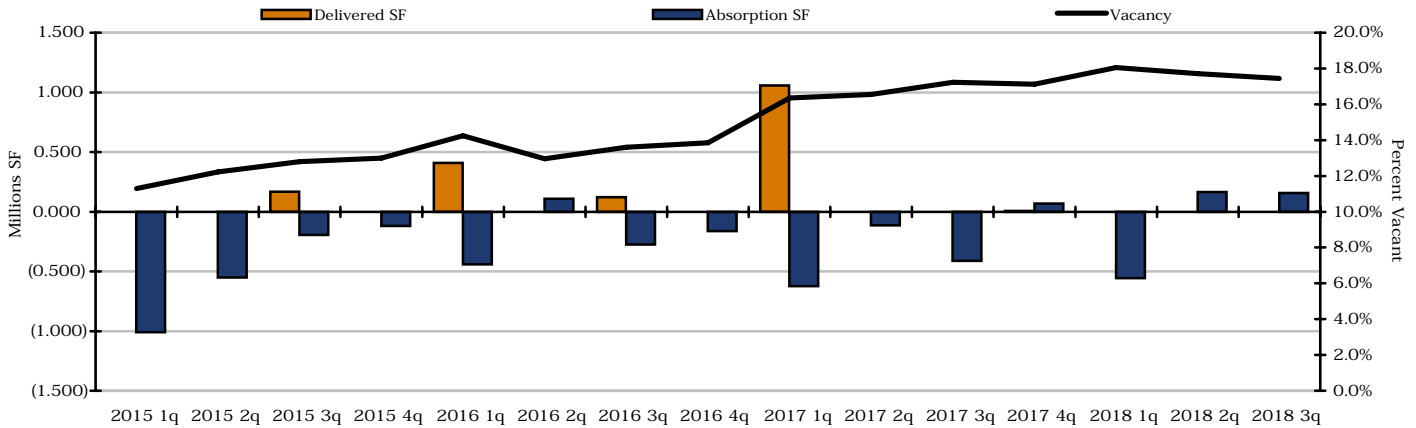
Houston Office Market



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

Deliveries, Absorption & Vacancy

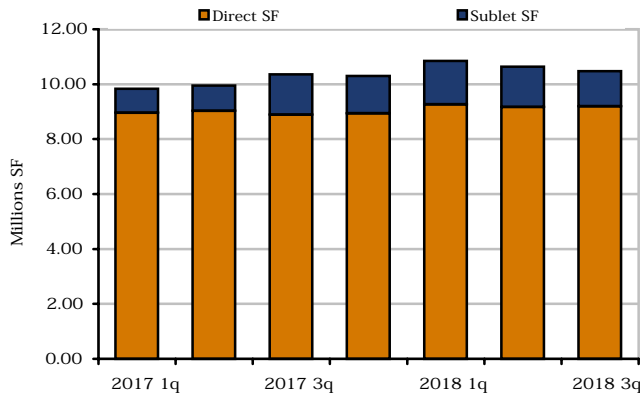
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

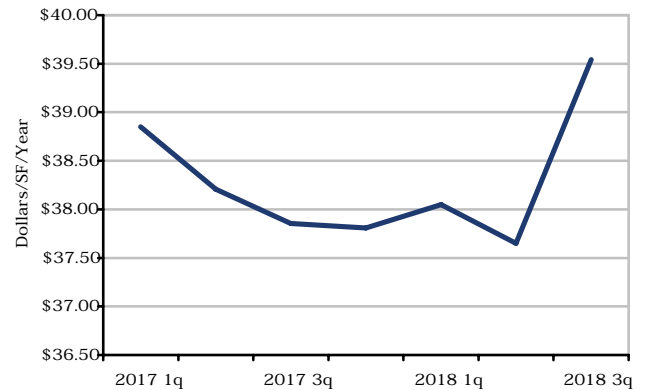
Historical Analysis, All Classes



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 3q	711	60,055,526	10,476,876	17.4%	157,426	0	0	3	1,922,425	\$39.54
2018 2q	711	60,055,526	10,634,302	17.7%	164,458	0	0	2	815,844	\$37.65
2018 1q	712	60,107,460	10,850,694	18.1%	(556,215)	0	0	2	815,844	\$38.05
2017 4q	712	60,107,460	10,294,479	17.1%	67,568	1	6,300	2	815,844	\$37.81
2017 3q	711	60,101,160	10,355,747	17.2%	(411,737)	0	0	3	822,144	\$37.86
2017 2q	711	60,101,160	9,944,010	16.5%	(113,187)	0	0	2	784,644	\$38.21
2017 1q	711	60,101,160	9,830,823	16.4%	(623,314)	1	1,056,658	0	0	\$38.85
2016 4q	712	59,072,088	8,178,437	13.8%	(160,935)	0	0	1	1,056,658	\$38.31
2016 3q	713	59,087,709	8,033,123	13.6%	(274,037)	2	120,800	1	1,056,658	\$39.72
2016 2q	712	58,974,978	7,646,355	13.0%	107,809	0	0	3	1,177,458	\$38.90
2016 1q	714	59,724,978	8,504,164	14.2%	(441,513)	2	410,085	3	1,177,458	\$39.27
2015 4q	714	59,376,843	7,714,516	13.0%	(118,599)	0	0	4	1,581,743	\$38.99
2015 3q	714	59,376,843	7,595,917	12.8%	(193,041)	1	167,562	4	1,581,743	\$38.44
2015 2q	713	59,209,281	7,235,314	12.2%	(550,353)	0	0	5	1,749,305	\$38.15
2015 1q	713	59,209,281	6,684,961	11.3%	(1,010,275)	0	0	4	1,745,820	\$37.93
2014 4q	713	59,209,281	5,674,686	9.6%	188,635	1	1,930	4	1,745,820	\$38.68

Source: CoStar Property®



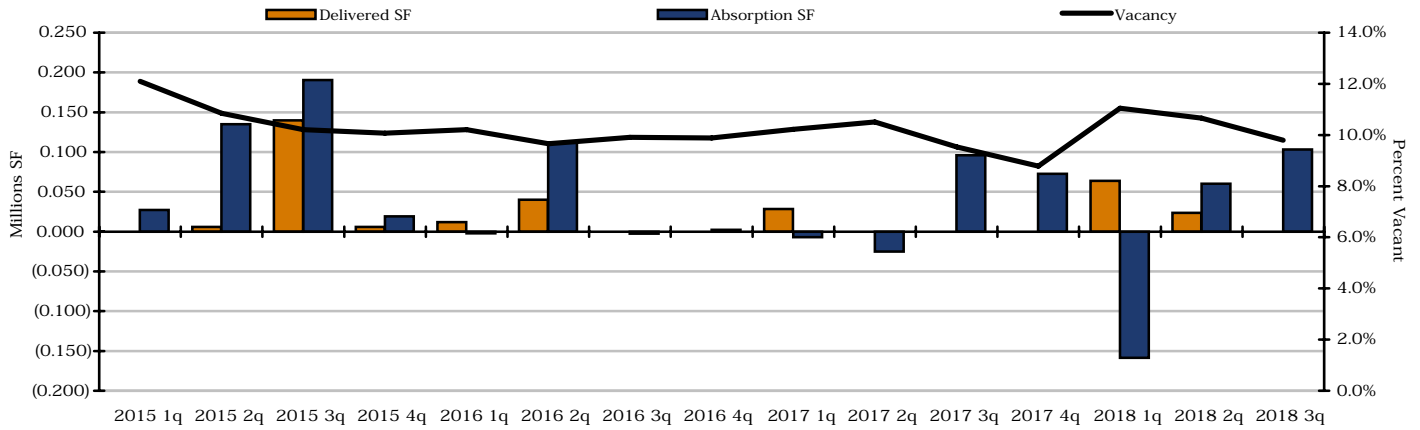
Houston Office Market

E Fort Bend Co/Sugar Land Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

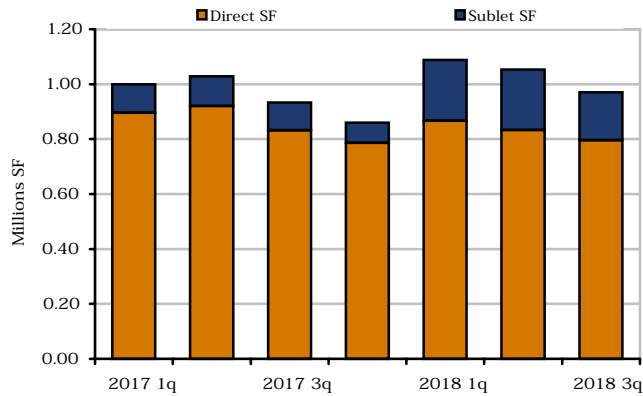
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

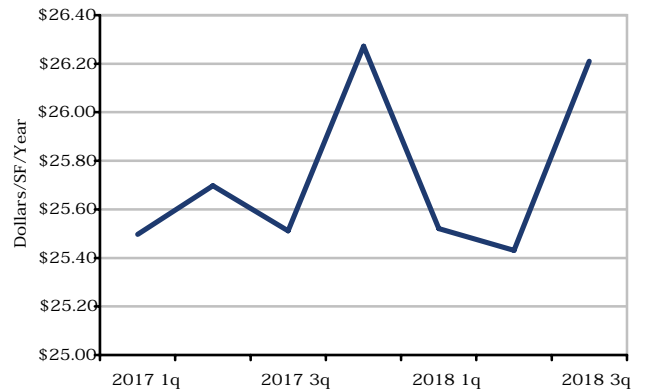
Historical Analysis, All Classes



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 3q	398	9,897,066	970,155	9.8%	103,372	0	0	3	74,351	\$26.21
2018 2q	397	9,876,266	1,052,727	10.7%	60,078	1	23,520	4	95,151	\$25.43
2018 1q	395	9,851,546	1,088,085	11.0%	(158,738)	6	63,625	6	119,871	\$25.52
2017 4q	389	9,787,921	859,922	8.8%	72,714	0	0	10	157,796	\$26.27
2017 3q	389	9,787,921	932,636	9.5%	96,082	0	0	7	142,796	\$25.51
2017 2q	389	9,787,921	1,028,718	10.5%	(25,235)	0	0	6	141,596	\$25.70
2017 1q	388	9,784,181	999,743	10.2%	(7,024)	2	28,249	4	55,660	\$25.50
2016 4q	386	9,755,932	964,470	9.9%	2,141	0	0	5	60,389	\$25.12
2016 3q	386	9,755,932	966,611	9.9%	(2,365)	0	0	5	60,389	\$25.18
2016 2q	383	9,731,117	939,431	9.7%	111,695	1	40,000	5	53,215	\$24.96
2016 1q	380	9,666,425	986,434	10.2%	(2,180)	3	11,994	8	117,907	\$24.62
2015 4q	377	9,654,431	972,260	10.1%	19,083	1	5,824	10	110,009	\$24.70
2015 3q	376	9,648,607	985,519	10.2%	190,661	3	139,783	8	91,018	\$24.38
2015 2q	372	9,502,824	1,030,397	10.8%	135,069	1	5,824	9	172,001	\$23.90
2015 1q	369	9,485,352	1,147,994	12.1%	27,089	0	0	8	169,079	\$24.28
2014 4q	369	9,485,352	1,175,083	12.4%	70,228	0	0	7	163,255	\$24.49

Source: CoStar Property®

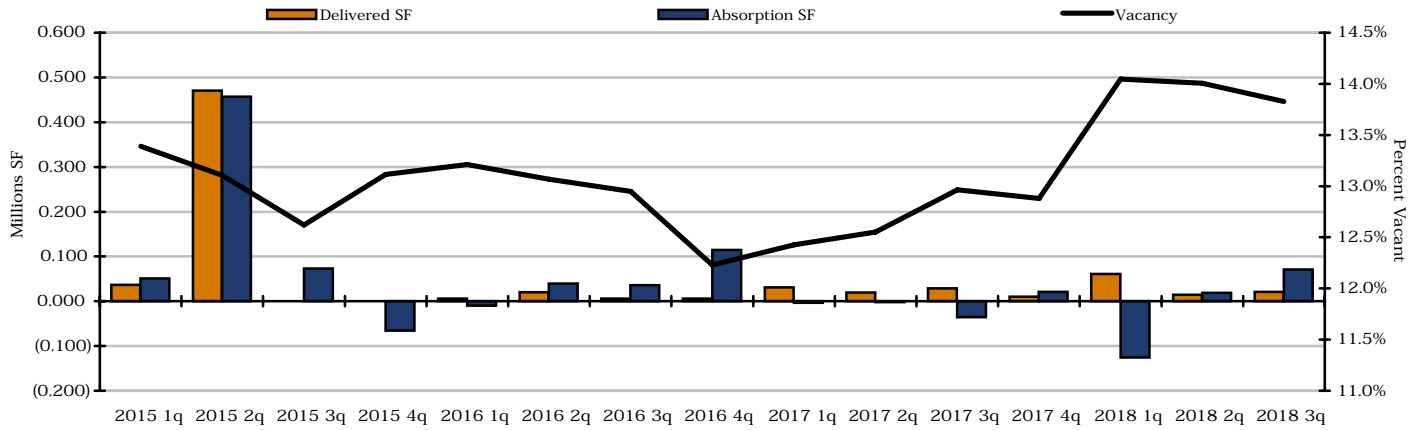
Houston Office Market



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

Deliveries, Absorption & Vacancy

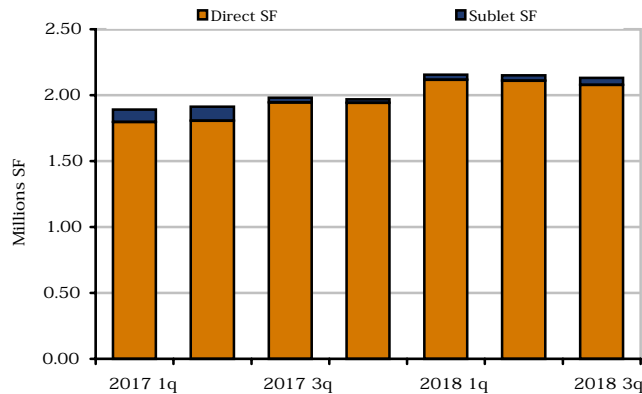
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

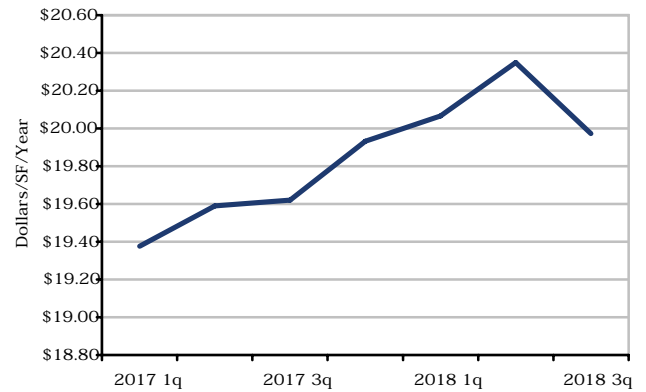
Historical Analysis, All Classes



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 3q	774	15,411,845	2,131,235	13.8%	70,975	2	20,750	11	231,883	\$19.97
2018 2q	771	15,361,191	2,151,556	14.0%	18,492	2	14,250	8	260,684	\$20.35
2018 1q	769	15,346,941	2,155,798	14.0%	(125,845)	5	60,950	9	118,934	\$20.07
2017 4q	764	15,285,991	1,969,003	12.9%	21,143	3	9,867	9	123,604	\$19.93
2017 3q	761	15,276,124	1,980,279	13.0%	(35,291)	2	28,805	9	109,670	\$19.62
2017 2q	758	15,244,319	1,913,183	12.6%	(1,976)	10	19,238	10	126,067	\$19.59
2017 1q	748	15,225,081	1,891,969	12.4%	(3,296)	3	30,760	17	131,006	\$19.38
2016 4q	745	15,194,321	1,857,913	12.2%	114,483	2	5,683	13	67,195	\$19.32
2016 3q	743	15,188,638	1,966,713	12.9%	36,067	2	6,000	7	58,283	\$19.11
2016 2q	740	15,167,713	1,981,855	13.1%	39,530	1	20,000	8	57,368	\$19.41
2016 1q	739	15,147,713	2,001,385	13.2%	(9,922)	1	5,625	6	64,305	\$19.28
2015 4q	738	15,142,088	1,985,838	13.1%	(65,836)	0	0	5	46,550	\$19.35
2015 3q	736	15,131,824	1,909,738	12.6%	73,128	0	0	2	10,264	\$18.93
2015 2q	736	15,131,824	1,982,866	13.1%	457,025	1	470,623	2	10,264	\$18.71
2015 1q	734	14,654,045	1,962,112	13.4%	50,916	7	36,934	4	488,043	\$18.71
2014 4q	727	14,617,111	1,976,094	13.5%	97,790	2	9,134	9	514,713	\$18.61

Source: CoStar Property®



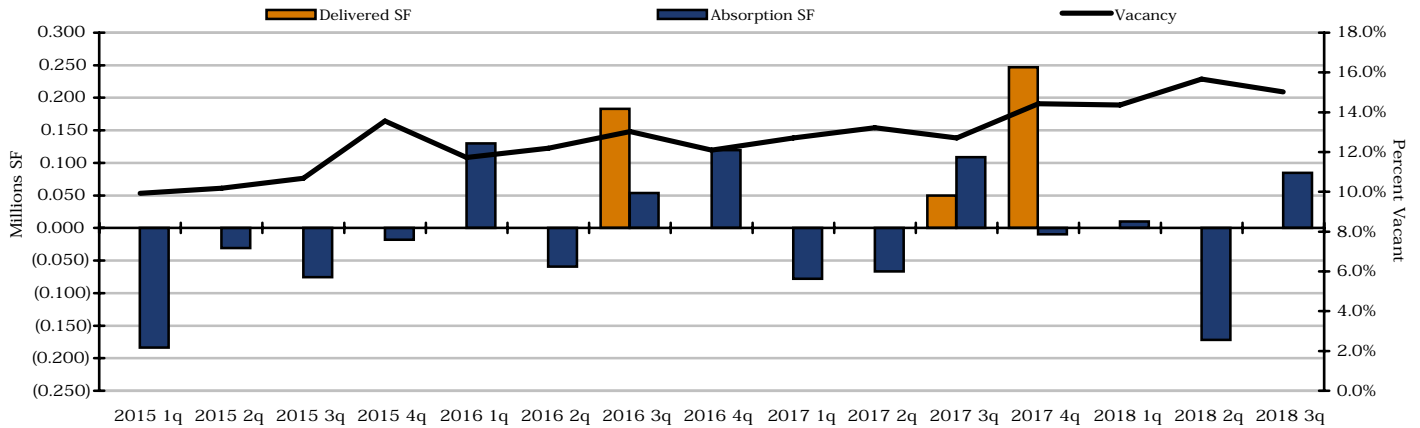
Houston Office Market

Greenway Plaza Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

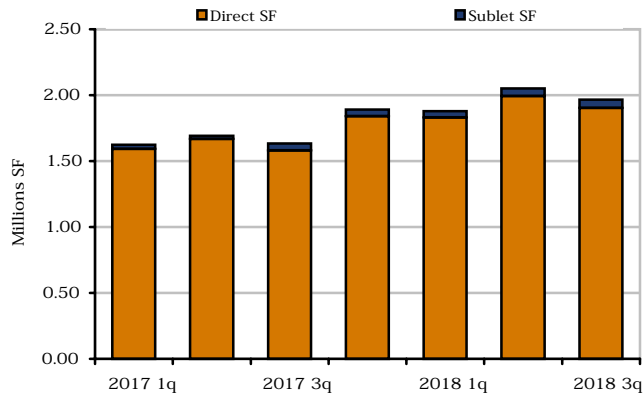
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

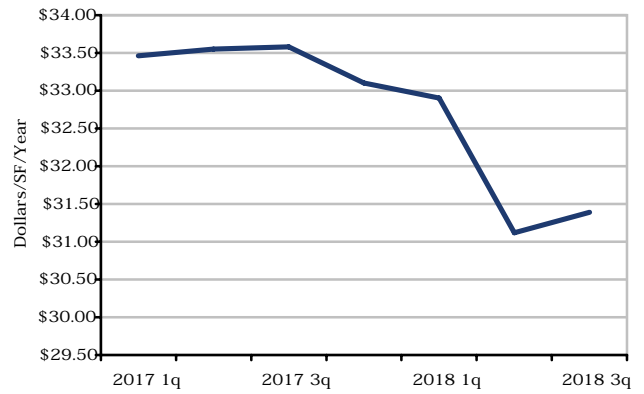
Historical Analysis, All Classes



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 3q	279	13,090,710	1,967,198	15.0%	84,619	0	0	0	0	\$31.39
2018 2q	279	13,090,710	2,051,817	15.7%	(171,986)	0	0	0	0	\$31.12
2018 1q	279	13,090,710	1,879,831	14.4%	9,769	0	0	0	0	\$32.90
2017 4q	279	13,090,710	1,889,600	14.4%	(9,516)	1	246,989	0	0	\$33.10
2017 3q	278	12,843,721	1,633,095	12.7%	108,703	1	50,000	1	246,989	\$33.58
2017 2q	277	12,793,721	1,691,798	13.2%	(66,912)	0	0	2	296,989	\$33.55
2017 1q	277	12,793,721	1,624,886	12.7%	(77,989)	0	0	2	296,989	\$33.46
2016 4q	277	12,793,721	1,546,897	12.1%	119,464	0	0	2	296,989	\$33.49
2016 3q	277	12,793,721	1,666,361	13.0%	53,977	1	183,129	2	296,989	\$33.67
2016 2q	276	12,610,592	1,537,209	12.2%	(59,096)	0	0	3	480,118	\$33.98
2016 1q	276	12,610,592	1,478,113	11.7%	129,720	0	0	2	430,118	\$34.20
2015 4q	278	12,728,830	1,726,071	13.6%	(18,221)	0	0	2	430,118	\$32.64
2015 3q	279	12,338,927	1,317,947	10.7%	(75,504)	0	0	3	817,609	\$30.60
2015 2q	280	12,354,058	1,257,574	10.2%	(30,617)	0	0	3	817,609	\$30.82
2015 1q	280	12,354,058	1,226,957	9.9%	(183,520)	0	0	3	817,609	\$31.23
2014 4q	280	12,354,058	1,043,437	8.4%	78,247	0	0	3	817,609	\$31.78

Source: CoStar Property®

Houston Office Market

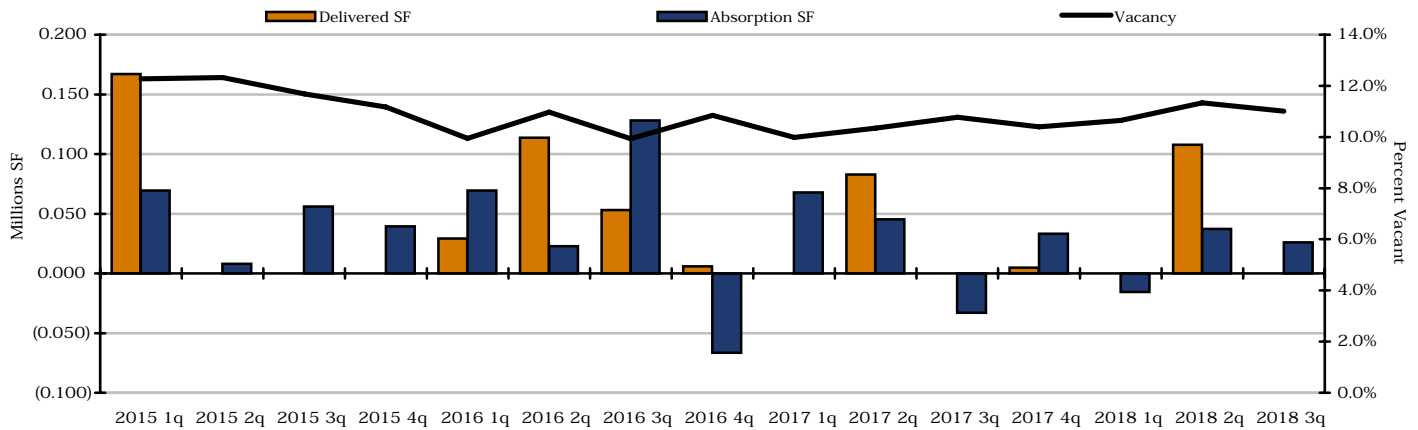


Gulf Freeway/Pasadena Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

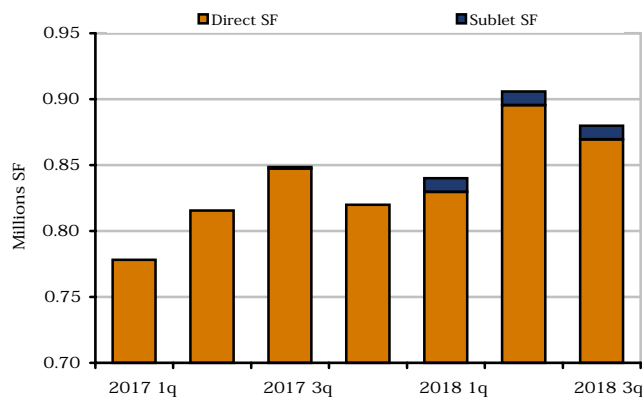
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

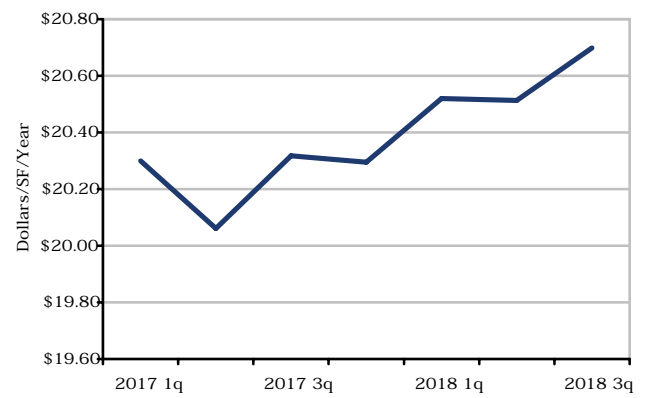
Historical Analysis, All Classes



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 3q	628	7,992,351	879,934	11.0%	25,997	0	0	1	10,327	\$20.70
2018 2q	628	7,992,351	905,931	11.3%	37,310	3	107,876	1	10,327	\$20.51
2018 1q	626	7,889,275	840,165	10.6%	(15,522)	0	0	3	113,403	\$20.52
2017 4q	625	7,884,475	819,843	10.4%	33,292	1	4,710	4	118,203	\$20.30
2017 3q	624	7,879,765	848,425	10.8%	(32,864)	0	0	5	122,913	\$20.32
2017 2q	624	7,879,765	815,561	10.4%	45,401	1	82,800	5	122,913	\$20.06
2017 1q	623	7,796,965	778,162	10.0%	67,914	0	0	5	195,386	\$20.30
2016 4q	623	7,796,965	846,076	10.9%	(66,390)	1	6,000	1	82,800	\$20.08
2016 3q	622	7,790,965	773,686	9.9%	128,053	2	53,105	2	88,800	\$19.94
2016 2q	620	7,737,860	848,634	11.0%	22,867	2	113,570	3	59,105	\$20.41
2016 1q	618	7,624,290	757,931	9.9%	69,342	3	29,234	5	172,675	\$20.32
2015 4q	616	7,651,693	854,676	11.2%	39,469	0	0	7	195,909	\$19.72
2015 3q	616	7,651,693	894,145	11.7%	56,070	0	0	5	158,339	\$19.66
2015 2q	615	7,643,443	941,965	12.3%	8,127	0	0	5	64,589	\$19.38
2015 1q	614	7,630,043	936,692	12.3%	69,530	3	167,000	2	21,650	\$19.50
2014 4q	611	7,463,043	839,222	11.2%	(7,069)	0	0	5	188,650	\$19.41

Source: CoStar Property®

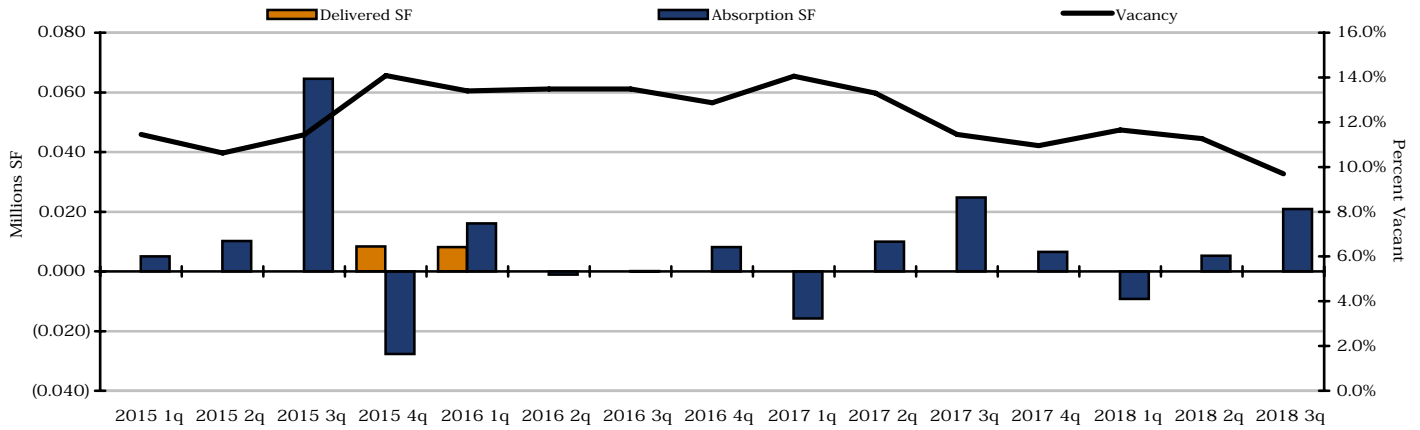


Houston Office Market

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

Deliveries, Absorption & Vacancy

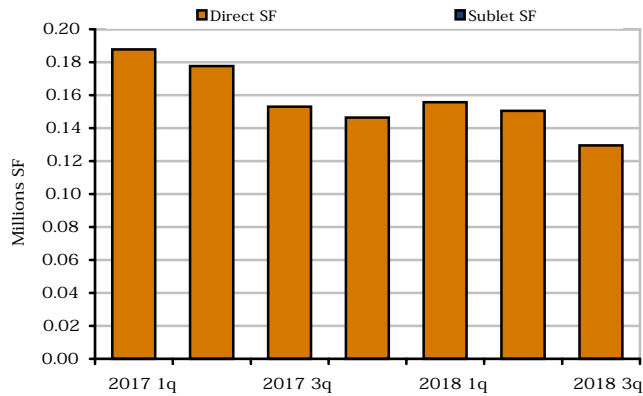
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

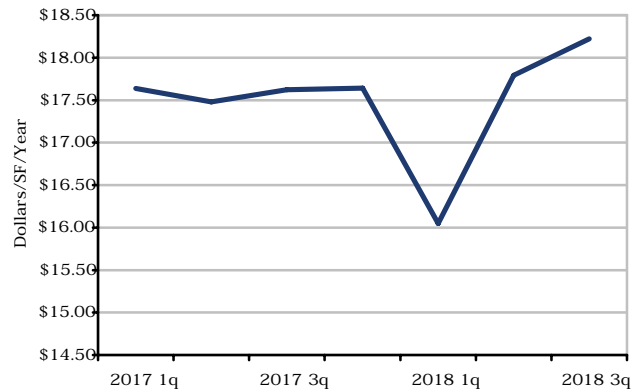
Historical Analysis, All Classes



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 3q	131	1,335,717	129,517	9.7%	20,920	0	0	0	0	\$18.22
2018 2q	131	1,335,717	150,437	11.3%	5,204	0	0	0	0	\$17.79
2018 1q	131	1,335,717	155,641	11.7%	(9,260)	0	0	0	0	\$16.05
2017 4q	131	1,335,717	146,381	11.0%	6,558	0	0	0	0	\$17.64
2017 3q	131	1,335,717	152,939	11.4%	24,759	0	0	0	0	\$17.62
2017 2q	131	1,335,717	177,698	13.3%	10,013	0	0	0	0	\$17.48
2017 1q	131	1,335,717	187,711	14.1%	(15,782)	0	0	0	0	\$17.64
2016 4q	131	1,335,717	171,929	12.9%	8,130	0	0	0	0	\$17.67
2016 3q	131	1,335,717	180,059	13.5%	56	0	0	0	0	\$17.86
2016 2q	131	1,335,717	180,115	13.5%	(1,126)	0	0	0	0	\$17.84
2016 1q	131	1,335,717	178,989	13.4%	16,104	1	8,100	0	0	\$14.41
2015 4q	130	1,327,617	186,993	14.1%	(27,681)	1	8,403	1	8,100	\$14.73
2015 3q	129	1,319,214	150,909	11.4%	64,537	0	0	2	16,503	\$14.57
2015 2q	128	1,235,064	131,296	10.6%	10,150	0	0	3	100,653	\$15.24
2015 1q	128	1,235,064	141,446	11.5%	5,087	0	0	1	84,150	\$15.27
2014 4q	128	1,235,064	146,533	11.9%	16,246	0	0	1	84,150	\$16.81

Source: CoStar Property®

Houston Office Market

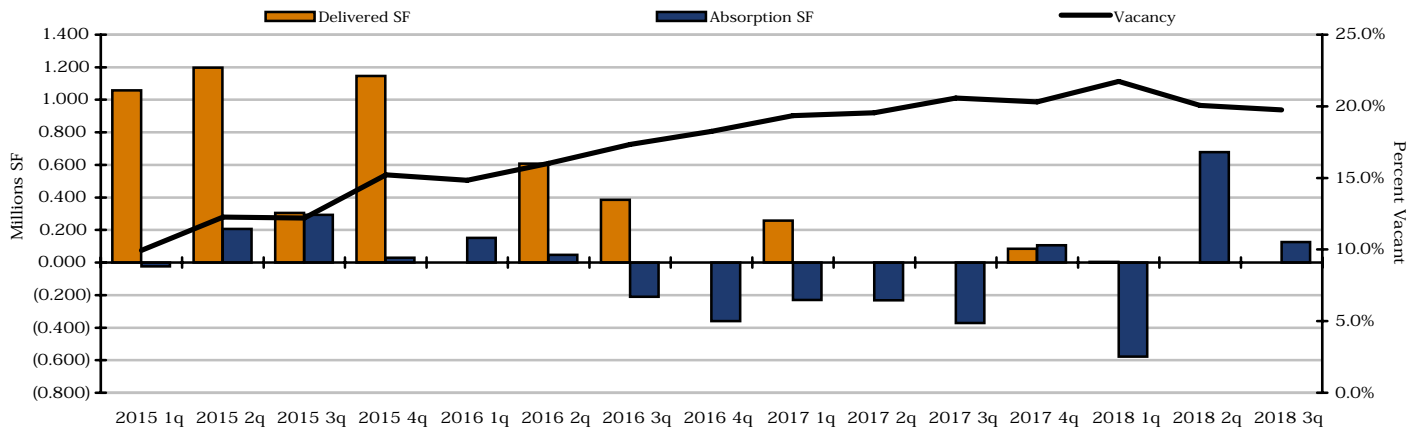


Katy Freeway Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

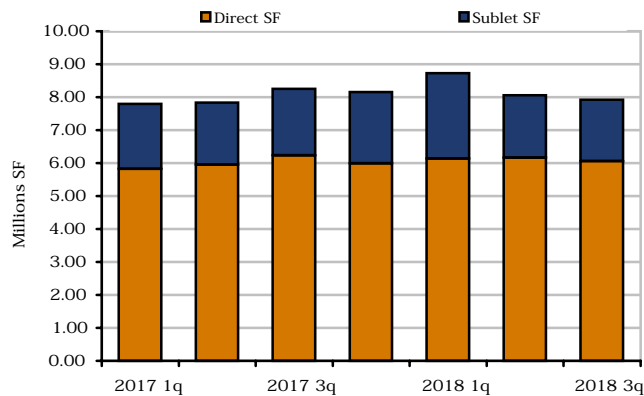
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

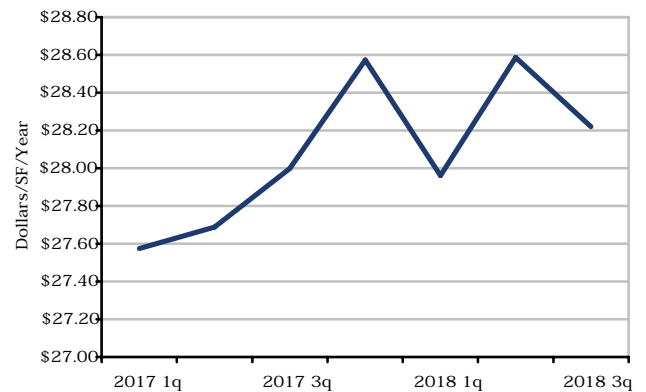
Historical Analysis, All Classes



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 3q	521	40,153,322	7,927,034	19.7%	126,527	0	0	4	232,774	\$28.22
2018 2q	521	40,153,322	8,053,561	20.1%	678,559	0	0	3	228,474	\$28.59
2018 1q	521	40,153,322	8,732,120	21.7%	(576,999)	1	4,320	3	228,474	\$27.96
2017 4q	520	40,149,002	8,150,801	20.3%	105,504	1	85,000	1	4,320	\$28.57
2017 3q	520	40,149,688	8,256,991	20.6%	(370,522)	0	0	2	89,320	\$28.00
2017 2q	518	40,099,688	7,836,469	19.5%	(232,312)	0	0	4	139,320	\$27.69
2017 1q	521	40,287,714	7,792,183	19.3%	(230,168)	2	257,431	3	135,000	\$27.57
2016 4q	519	40,030,283	7,304,584	18.2%	(360,485)	0	0	5	392,431	\$27.74
2016 3q	519	40,030,283	6,944,099	17.3%	(210,496)	1	385,000	5	392,431	\$27.89
2016 2q	518	39,645,283	6,348,603	16.0%	47,199	2	606,925	5	692,431	\$29.27
2016 1q	516	39,038,358	5,788,877	14.8%	151,736	0	0	4	1,232,425	\$30.26
2015 4q	516	39,038,358	5,940,613	15.2%	30,287	3	1,145,458	4	1,232,425	\$30.49
2015 3q	512	37,665,837	4,598,379	12.2%	293,828	2	305,807	7	2,364,446	\$30.63
2015 2q	510	37,360,030	4,586,400	12.3%	206,177	4	1,197,917	9	2,670,253	\$30.69
2015 1q	506	36,162,853	3,595,400	9.9%	(23,438)	4	1,058,277	14	3,869,430	\$30.50
2014 4q	502	35,104,576	2,513,685	7.2%	832,588	4	712,268	18	4,927,707	\$30.45

Source: CoStar Property®



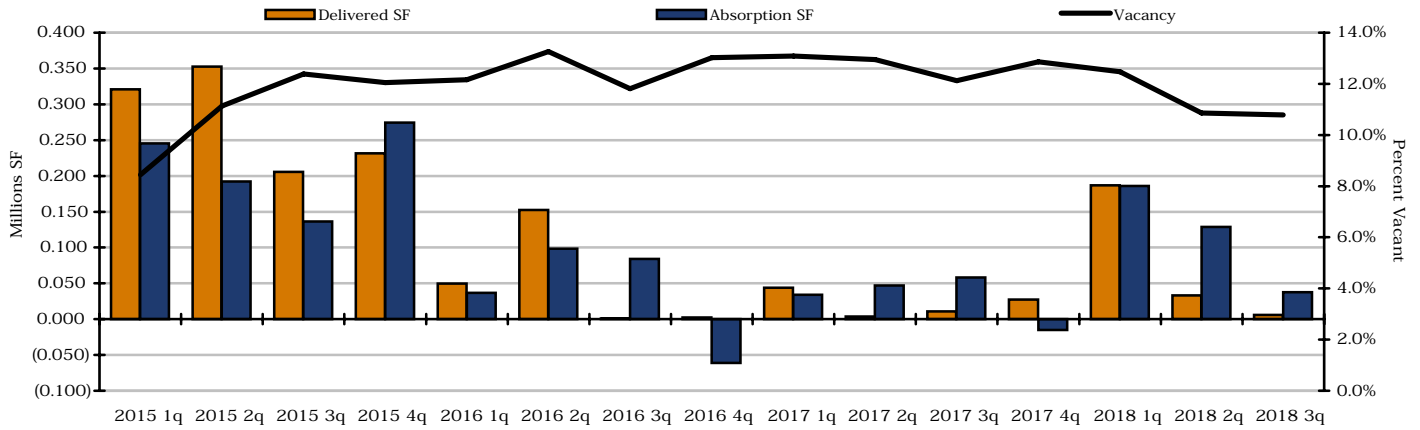
Houston Office Market

Katy / Grand Parkway West Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

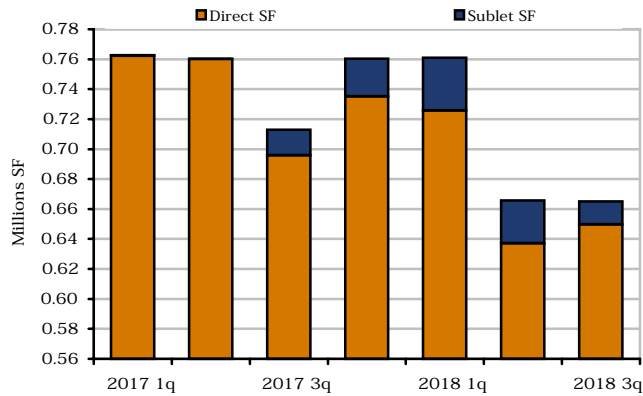
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

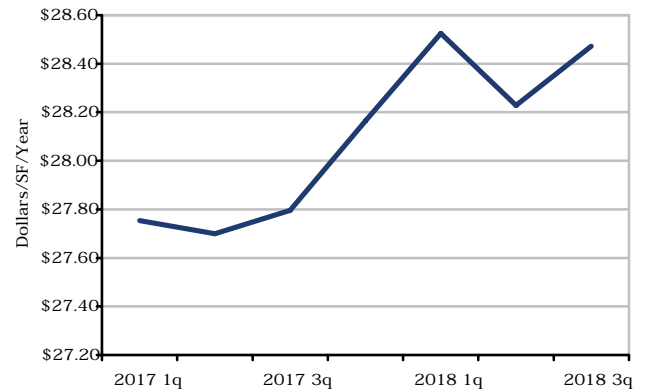
Historical Analysis, All Classes



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 3q	410	6,170,123	665,056	10.8%	37,833	1	5,684	5	23,100	\$28.47
2018 2q	408	6,132,877	665,643	10.9%	128,630	5	33,200	7	60,346	\$28.23
2018 1q	403	6,099,677	761,073	12.5%	185,916	4	186,700	11	88,646	\$28.53
2017 4q	399	5,912,977	760,289	12.9%	(15,109)	2	27,323	12	260,646	\$28.16
2017 3q	396	5,880,754	712,957	12.1%	58,319	2	10,827	14	261,307	\$27.80
2017 2q	394	5,869,927	760,449	13.0%	46,924	1	3,500	14	262,334	\$27.70
2017 1q	390	5,825,228	762,674	13.1%	34,259	4	43,834	15	132,133	\$27.75
2016 4q	386	5,781,394	753,099	13.0%	(61,289)	1	2,475	13	139,460	\$27.54
2016 3q	383	5,771,543	681,959	11.8%	84,192	1	1,200	12	116,084	\$27.02
2016 2q	382	5,770,343	764,951	13.3%	98,272	3	152,582	8	58,135	\$27.13
2016 1q	375	5,586,857	679,737	12.2%	36,800	4	49,678	13	210,721	\$27.49
2015 4q	371	5,537,179	666,859	12.0%	274,383	2	231,500	12	245,064	\$27.13
2015 3q	365	5,245,607	649,670	12.4%	136,152	3	205,470	16	511,121	\$26.32
2015 2q	358	5,018,567	558,782	11.1%	192,182	6	352,647	18	598,941	\$26.54
2015 1q	351	4,661,230	393,627	8.4%	245,282	6	320,753	20	904,027	\$26.05
2014 4q	345	4,340,477	318,156	7.3%	140,064	2	75,406	21	1,180,649	\$26.23

Source: CoStar Property®

Houston Office Market

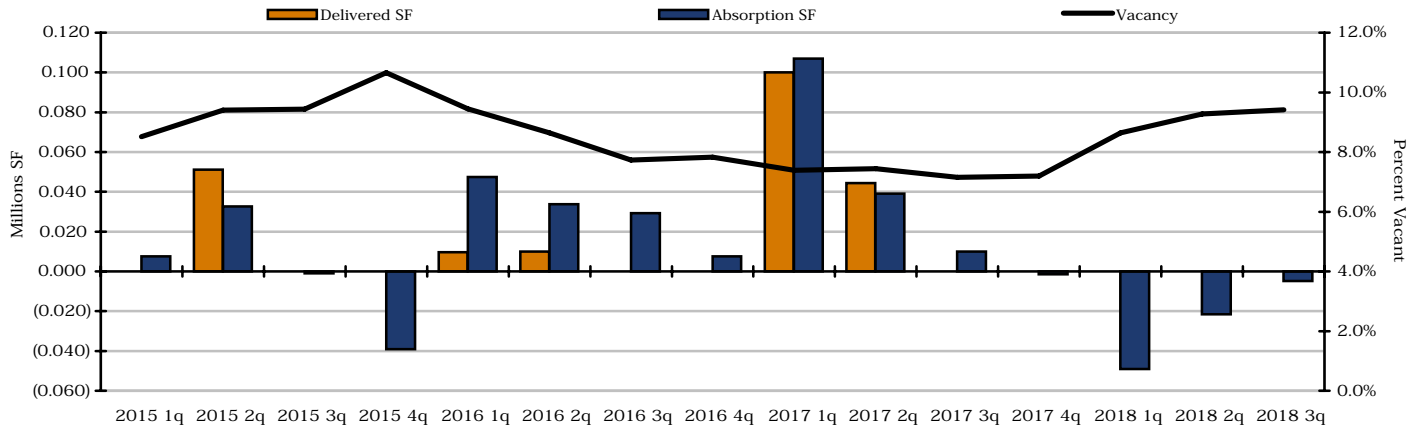


Kingwood / Humble Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

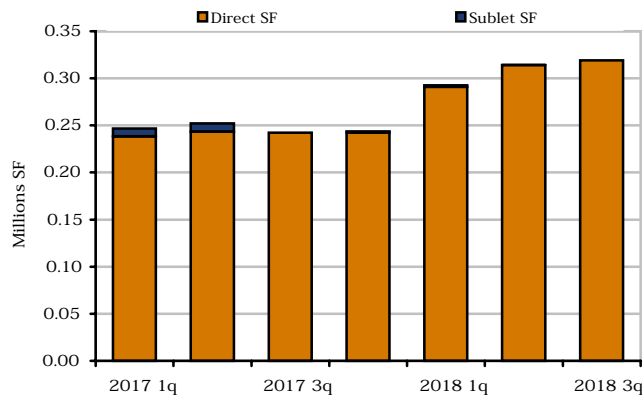
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

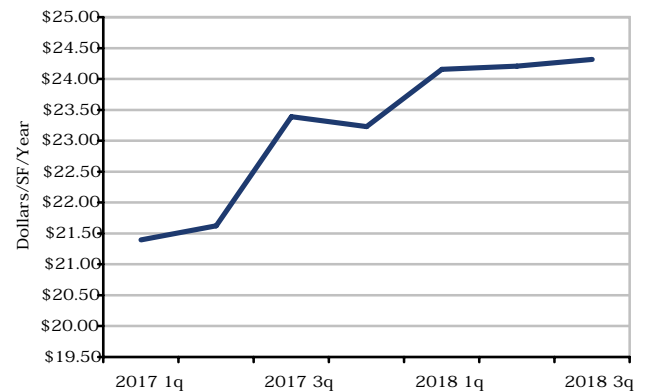
Historical Analysis, All Classes



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 3q	221	3,386,364	318,997	9.4%	(4,800)	0	0	1	100,000	\$24.32
2018 2q	221	3,386,364	314,197	9.3%	(21,551)	0	0	1	100,000	\$24.21
2018 1q	221	3,386,364	292,646	8.6%	(48,998)	0	0	1	100,000	\$24.16
2017 4q	221	3,386,364	243,648	7.2%	(1,495)	0	0	1	100,000	\$23.23
2017 3q	221	3,386,364	242,153	7.2%	10,042	0	0	1	100,000	\$23.39
2017 2q	221	3,386,364	252,195	7.4%	39,089	1	44,450	1	100,000	\$21.62
2017 1q	220	3,341,914	246,834	7.4%	106,908	1	100,000	1	44,450	\$21.39
2016 4q	219	3,241,914	253,742	7.8%	7,584	0	0	2	144,450	\$21.11
2016 3q	218	3,230,514	249,926	7.7%	29,206	0	0	3	155,850	\$22.01
2016 2q	218	3,230,514	279,132	8.6%	33,770	2	9,900	3	155,850	\$22.01
2016 1q	217	3,222,150	304,538	9.5%	47,389	2	9,600	5	165,750	\$22.21
2015 4q	215	3,212,550	342,327	10.7%	(39,127)	0	0	5	63,950	\$22.41
2015 3q	215	3,212,550	303,200	9.4%	(955)	0	0	4	19,500	\$22.55
2015 2q	215	3,212,550	302,245	9.4%	32,722	2	51,154	2	9,600	\$22.09
2015 1q	212	3,145,479	267,896	8.5%	7,498	0	0	3	67,071	\$21.77
2014 4q	212	3,145,479	275,394	8.8%	2,235	0	0	3	67,071	\$21.80

Source: CoStar Property®



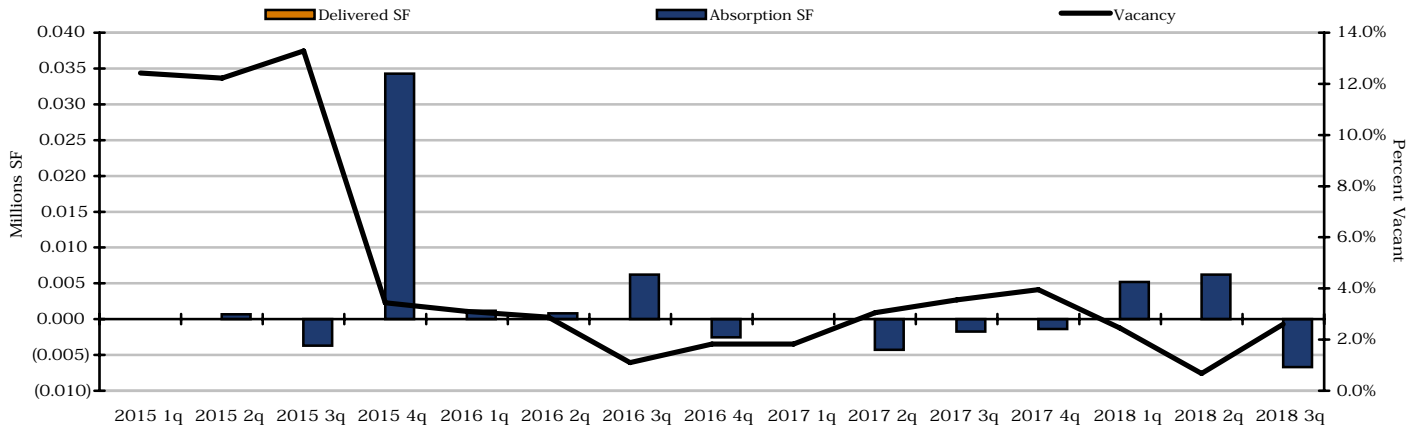
Houston Office Market

Liberty County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

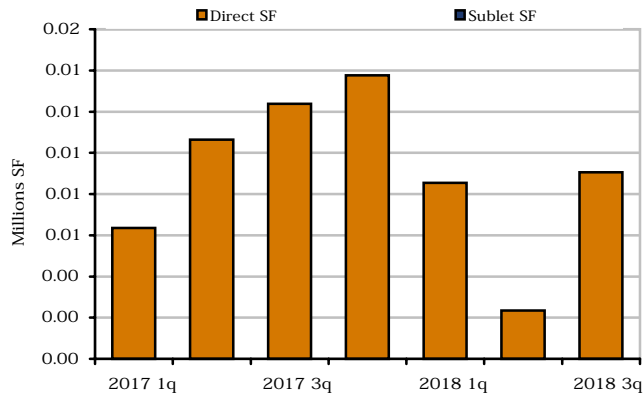
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

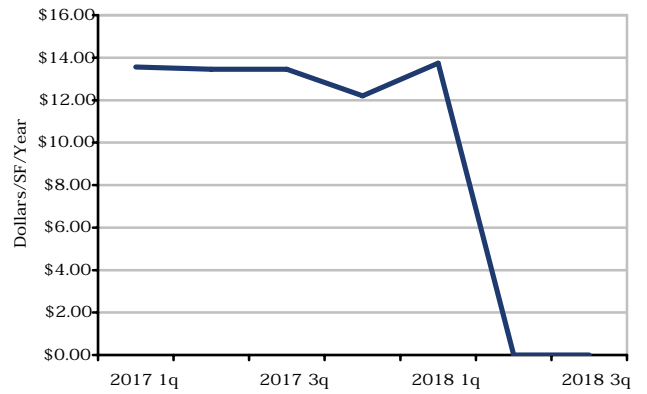
Historical Analysis, All Classes



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 3q	69	348,428	9,051	2.6%	(6,705)	0	0	0	0	\$0.00
2018 2q	69	348,428	2,346	0.7%	6,202	0	0	0	0	\$0.00
2018 1q	69	348,428	8,548	2.5%	5,210	0	0	0	0	\$13.74
2017 4q	69	348,428	13,758	3.9%	(1,376)	0	0	0	0	\$12.21
2017 3q	69	348,428	12,382	3.6%	(1,748)	0	0	0	0	\$13.46
2017 2q	69	348,428	10,634	3.1%	(4,285)	0	0	0	0	\$13.46
2017 1q	69	348,428	6,349	1.8%	0	0	0	0	0	\$13.55
2016 4q	69	348,428	6,349	1.8%	(2,534)	0	0	0	0	\$13.65
2016 3q	69	348,428	3,815	1.1%	6,200	0	0	0	0	\$13.98
2016 2q	69	348,428	10,015	2.9%	800	0	0	0	0	\$15.38
2016 1q	69	348,428	10,815	3.1%	1,184	0	0	0	0	\$15.34
2015 4q	69	348,428	11,999	3.4%	34,275	0	0	0	0	\$14.52
2015 3q	69	348,428	46,274	13.3%	(3,699)	0	0	0	0	\$14.50
2015 2q	69	348,428	42,575	12.2%	700	0	0	0	0	\$14.53
2015 1q	69	348,428	43,275	12.4%	0	0	0	0	0	\$14.53
2014 4q	69	348,428	43,275	12.4%	(3,200)	0	0	0	0	\$15.10

Source: CoStar Property®

Houston Office Market

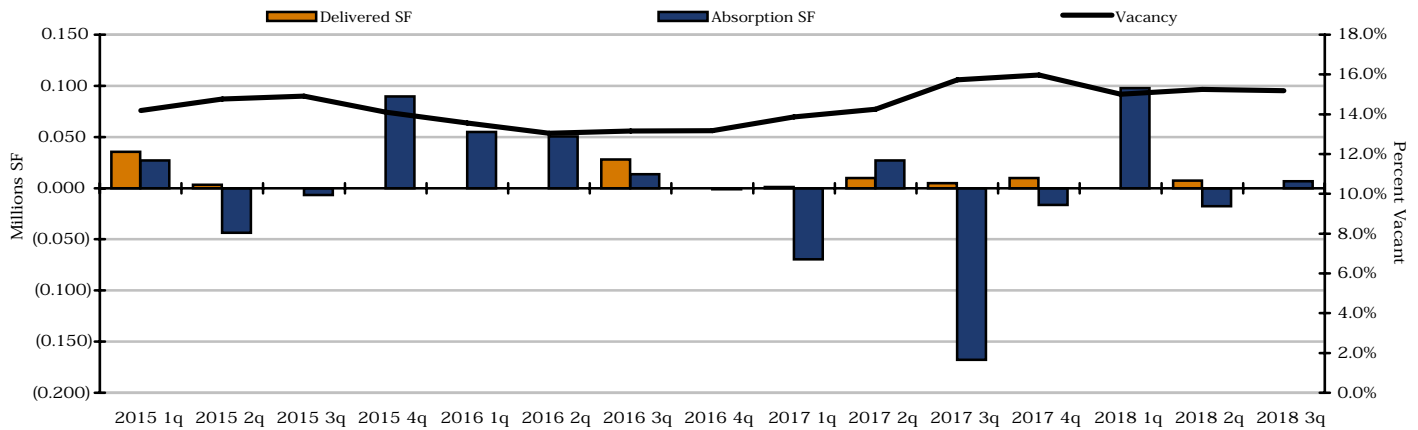


NASA / Clear Lake Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

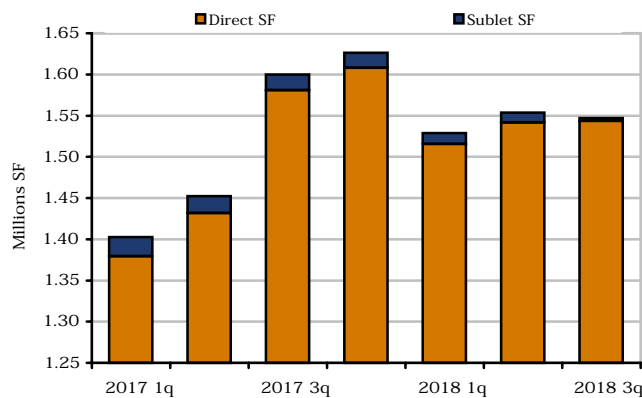
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

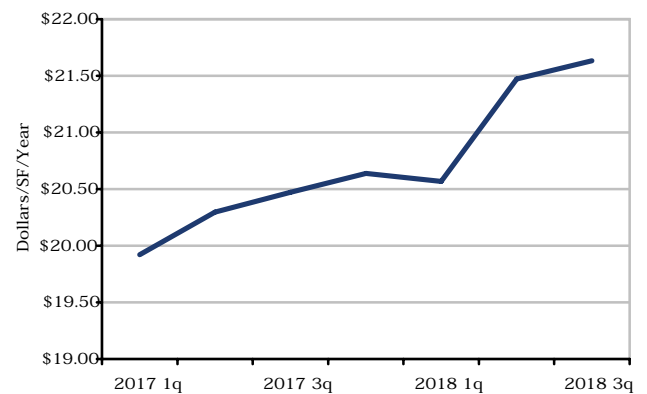
Historical Analysis, All Classes



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 3q	517	10,188,586	1,547,139	15.2%	6,609	0	0	3	87,139	\$21.63
2018 2q	517	10,188,586	1,553,748	15.2%	(17,558)	1	7,400	3	87,139	\$21.47
2018 1q	516	10,181,186	1,528,790	15.0%	97,664	0	0	2	36,125	\$20.57
2017 4q	516	10,181,186	1,626,454	16.0%	(16,491)	1	10,000	2	36,125	\$20.64
2017 3q	515	10,171,186	1,599,963	15.7%	(167,830)	1	5,000	1	10,000	\$20.47
2017 2q	515	10,191,386	1,452,333	14.3%	26,935	1	10,000	2	15,000	\$20.30
2017 1q	512	10,114,695	1,402,577	13.9%	(69,634)	1	1,010	5	91,691	\$19.92
2016 4q	511	10,113,685	1,331,933	13.2%	(1,088)	0	0	5	82,701	\$19.93
2016 3q	511	10,113,685	1,330,845	13.2%	13,596	2	28,000	3	67,701	\$19.77
2016 2q	508	10,084,785	1,315,541	13.0%	50,688	0	0	5	92,910	\$19.90
2016 1q	509	10,086,821	1,368,265	13.6%	55,066	0	0	3	28,900	\$19.26
2015 4q	509	10,086,821	1,423,331	14.1%	89,594	0	0	3	28,900	\$19.87
2015 3q	508	10,075,517	1,501,621	14.9%	(6,625)	0	0	3	39,304	\$19.98
2015 2q	507	10,068,017	1,487,496	14.8%	(43,643)	1	3,300	2	18,804	\$19.97
2015 1q	505	10,050,717	1,426,553	14.2%	26,962	4	35,448	4	36,104	\$19.56
2014 4q	502	10,019,017	1,421,815	14.2%	103,877	1	18,000	7	60,248	\$20.03

Source: CoStar Property®



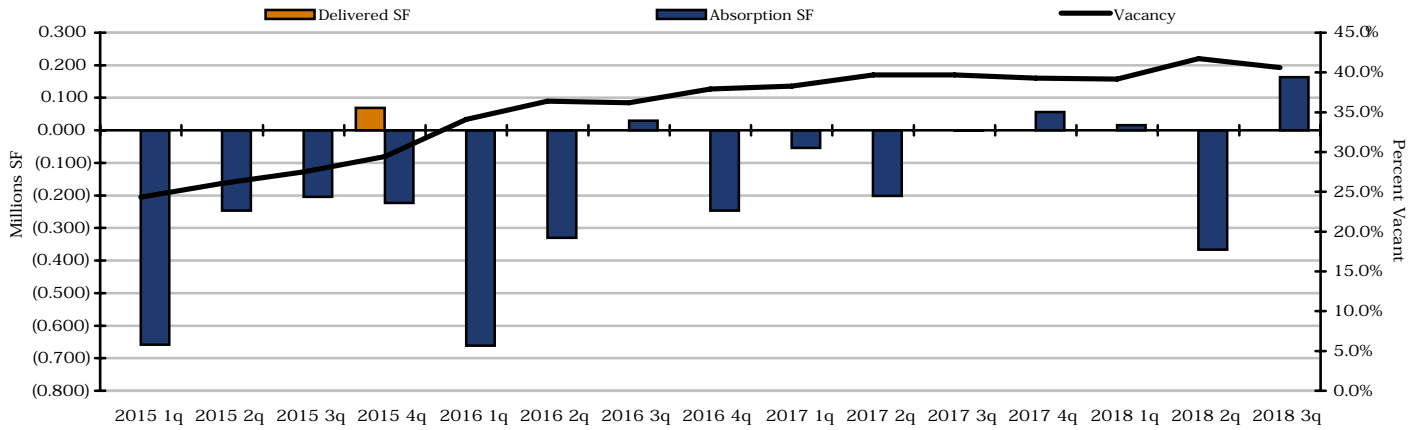
Houston Office Market

North Belt Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

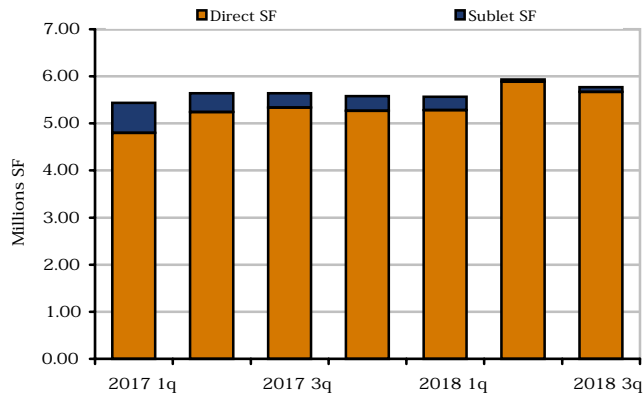
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

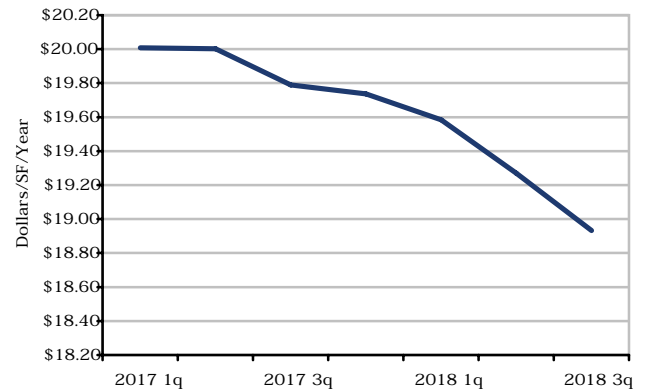
Historical Analysis, All Classes



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 3q	173	14,204,744	5,767,989	40.6%	163,604	0	0	0	0	\$18.93
2018 2q	173	14,204,744	5,931,593	41.8%	(366,053)	0	0	0	0	\$19.27
2018 1q	173	14,204,744	5,565,540	39.2%	16,288	0	0	0	0	\$19.58
2017 4q	173	14,204,744	5,581,828	39.3%	56,182	0	0	0	0	\$19.74
2017 3q	173	14,204,744	5,638,010	39.7%	(495)	0	0	0	0	\$19.79
2017 2q	173	14,204,744	5,637,515	39.7%	(201,072)	0	0	0	0	\$20.00
2017 1q	173	14,204,744	5,436,443	38.3%	(53,887)	0	0	0	0	\$20.01
2016 4q	174	14,214,744	5,392,556	37.9%	(246,594)	0	0	0	0	\$20.69
2016 3q	174	14,214,744	5,145,962	36.2%	29,535	0	0	0	0	\$20.27
2016 2q	174	14,214,744	5,175,497	36.4%	(330,338)	0	0	0	0	\$20.43
2016 1q	174	14,214,744	4,845,159	34.1%	(661,700)	0	0	0	0	\$20.59
2015 4q	174	14,214,744	4,183,459	29.4%	(222,545)	1	68,950	0	0	\$20.99
2015 3q	173	14,145,794	3,891,964	27.5%	(204,592)	0	0	1	68,950	\$22.01
2015 2q	173	14,145,794	3,687,372	26.1%	(246,124)	0	0	1	68,950	\$22.13
2015 1q	173	14,145,794	3,441,248	24.3%	(658,833)	0	0	1	68,950	\$22.92
2014 4q	173	14,145,794	2,782,415	19.7%	(370,942)	0	0	1	68,950	\$22.40

Source: CoStar Property®

Houston Office Market

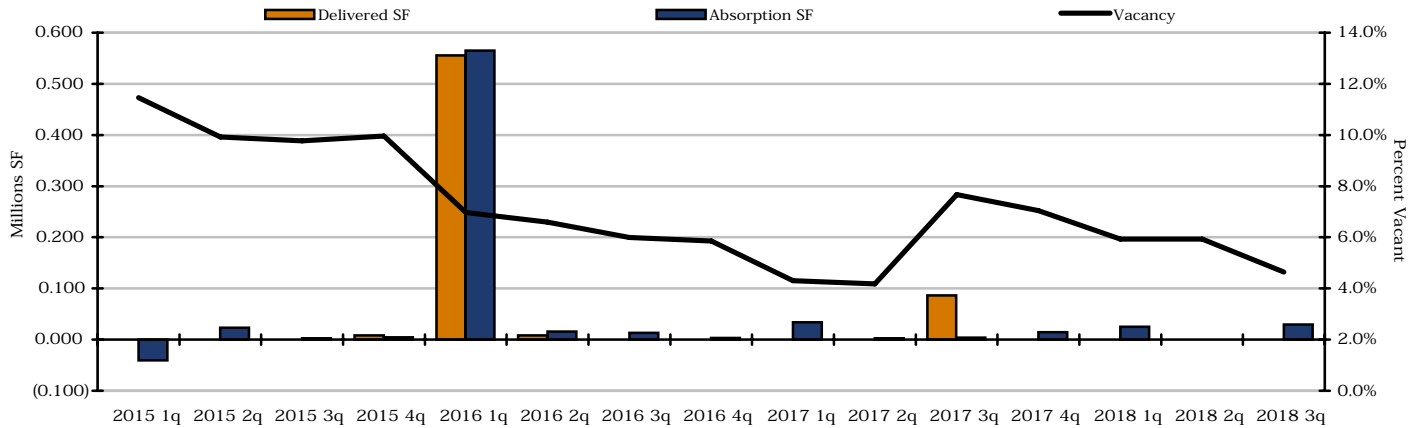


Northeast Near Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

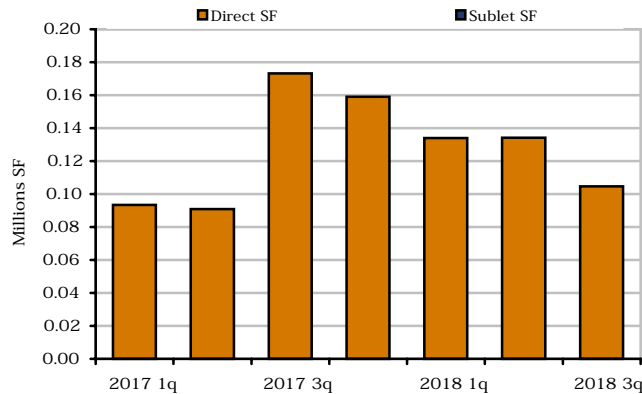
Historical Analysis, All Classes



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 3q	147	2,258,727	104,726	4.6%	29,362	0	0	0	0	\$18.28
2018 2q	147	2,258,727	134,088	5.9%	(111)	0	0	0	0	\$18.35
2018 1q	147	2,258,727	133,977	5.9%	24,995	0	0	0	0	\$18.80
2017 4q	147	2,258,727	158,972	7.0%	14,318	0	0	0	0	\$18.72
2017 3q	147	2,258,727	173,290	7.7%	4,039	1	86,523	0	0	\$19.05
2017 2q	146	2,172,204	90,806	4.2%	2,627	0	0	1	86,523	\$19.05
2017 1q	146	2,172,204	93,433	4.3%	33,856	0	0	1	86,523	\$19.36
2016 4q	146	2,172,204	127,289	5.9%	2,905	0	0	1	86,523	\$19.53
2016 3q	146	2,172,204	130,194	6.0%	13,115	0	0	1	86,523	\$19.43
2016 2q	146	2,172,204	143,309	6.6%	16,031	1	8,500	0	0	\$19.34
2016 1q	145	2,163,704	150,840	7.0%	565,024	2	555,700	1	8,500	\$19.41
2015 4q	143	1,608,004	160,164	10.0%	4,197	1	8,040	3	564,200	\$19.16
2015 3q	142	1,599,964	156,321	9.8%	2,344	0	0	4	572,240	\$19.06
2015 2q	142	1,599,964	158,665	9.9%	23,121	0	0	3	563,740	\$17.11
2015 1q	143	1,601,636	183,458	11.5%	(40,429)	0	0	3	563,740	\$17.32
2014 4q	143	1,601,636	143,029	8.9%	(982)	0	0	1	8,040	\$17.71

Source: CoStar Property®



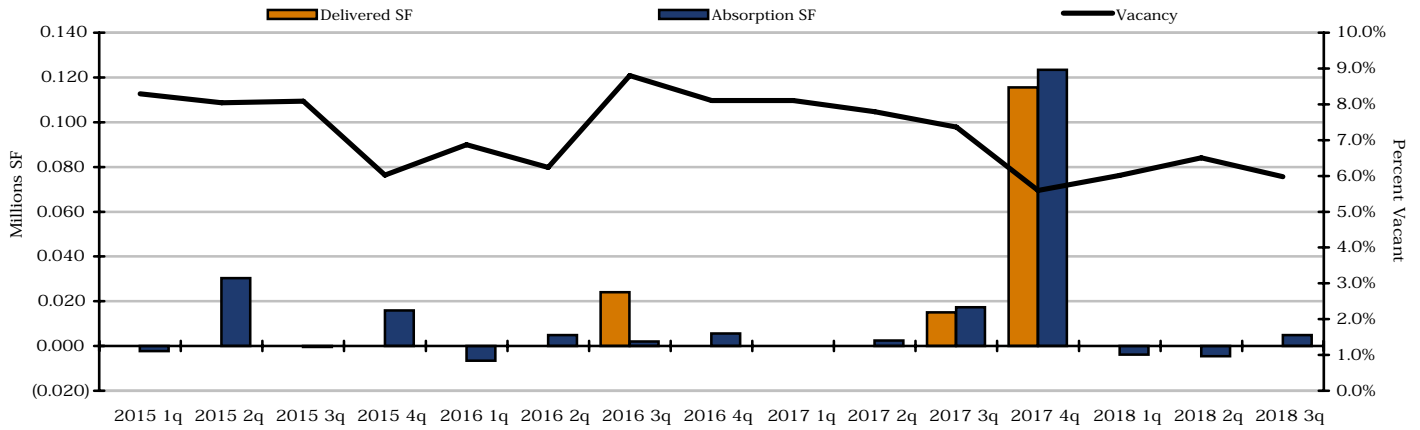
Houston Office Market

Northeast Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

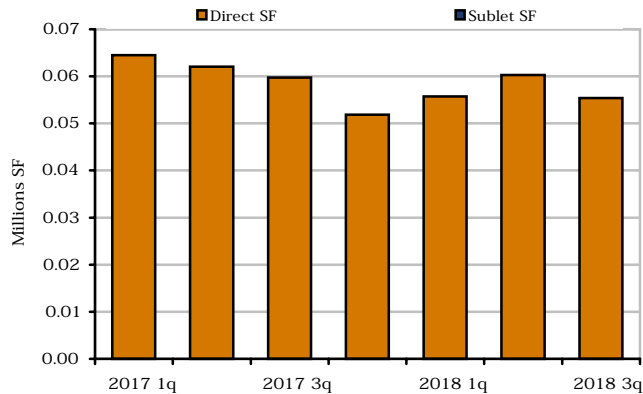
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

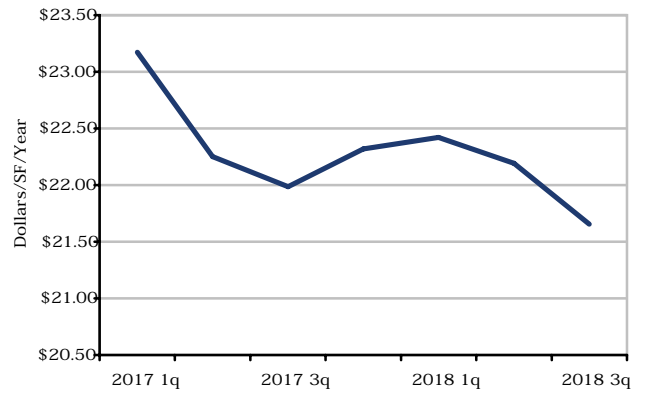
Historical Analysis, All Classes



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 3q	86	926,662	55,401	6.0%	4,906	0	0	1	8,000	\$21.66
2018 2q	86	926,662	60,307	6.5%	(4,561)	0	0	1	8,000	\$22.19
2018 1q	86	926,662	55,746	6.0%	(3,896)	0	0	1	8,000	\$22.42
2017 4q	86	926,662	51,850	5.6%	123,460	1	115,601	0	0	\$22.32
2017 3q	85	811,061	59,709	7.4%	17,330	1	15,000	1	115,601	\$21.99
2017 2q	84	796,061	62,039	7.8%	2,450	0	0	2	130,601	\$22.25
2017 1q	84	796,061	64,489	8.1%	7	0	0	2	130,601	\$23.17
2016 4q	84	796,061	64,496	8.1%	5,588	0	0	1	115,601	\$23.07
2016 3q	84	796,061	70,084	8.8%	2,044	1	24,000	0	0	\$22.90
2016 2q	83	772,061	48,128	6.2%	4,916	0	0	1	24,000	\$22.65
2016 1q	83	772,061	53,044	6.9%	(6,521)	0	0	1	24,000	\$22.26
2015 4q	83	772,061	46,523	6.0%	15,909	0	0	1	24,000	\$21.60
2015 3q	83	772,061	62,432	8.1%	(345)	0	0	0	0	\$20.33
2015 2q	83	772,061	62,087	8.0%	30,363	0	0	0	0	\$20.68
2015 1q	82	741,101	61,490	8.3%	(2,232)	0	0	1	30,960	\$21.49
2014 4q	82	741,101	59,258	8.0%	5,387	1	36,400	1	30,960	\$20.51

Source: CoStar Property®

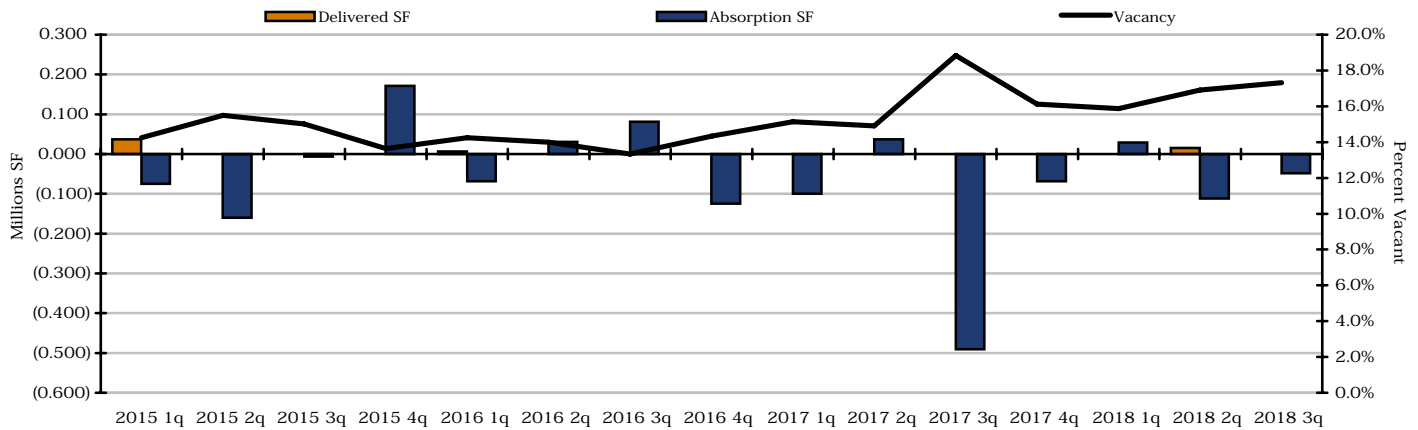
Houston Office Market



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

Deliveries, Absorption & Vacancy

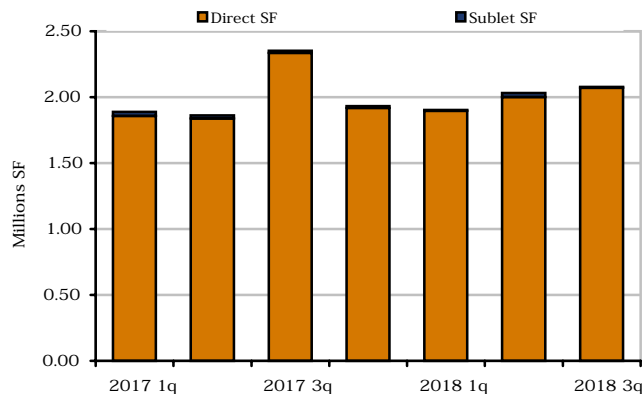
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

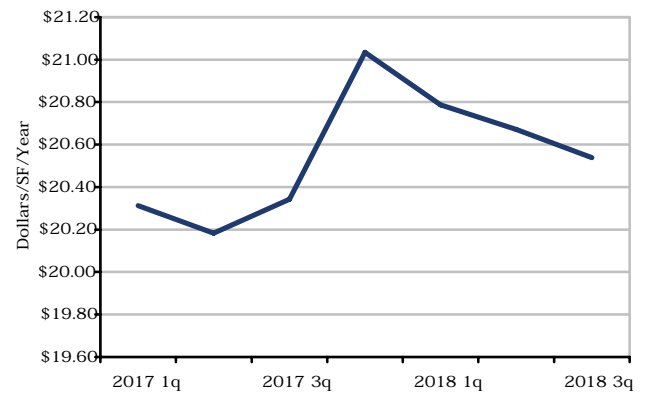
Historical Analysis, All Classes



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 3q	525	12,008,318	2,078,828	17.3%	(48,223)	0	0	1	10,020	\$20.54
2018 2q	525	12,008,318	2,030,605	16.9%	(111,505)	1	15,000	1	10,020	\$20.67
2018 1q	524	11,993,318	1,904,100	15.9%	28,964	0	0	2	25,020	\$20.79
2017 4q	524	11,993,318	1,933,064	16.1%	(68,351)	0	0	2	25,020	\$21.03
2017 3q	527	12,480,255	2,351,650	18.8%	(490,347)	0	0	1	15,000	\$20.34
2017 2q	527	12,480,255	1,861,303	14.9%	36,838	0	0	1	15,000	\$20.18
2017 1q	526	12,470,255	1,888,141	15.1%	(100,098)	0	0	2	25,000	\$20.31
2016 4q	526	12,470,255	1,788,043	14.3%	(124,495)	0	0	2	25,000	\$20.12
2016 3q	526	12,470,255	1,663,548	13.3%	81,407	0	0	2	25,000	\$19.95
2016 2q	526	12,470,255	1,744,955	14.0%	30,688	0	0	1	15,000	\$19.61
2016 1q	526	12,470,255	1,775,643	14.2%	(68,506)	2	6,360	1	15,000	\$19.68
2015 4q	524	12,463,895	1,700,777	13.6%	171,067	0	0	2	6,360	\$19.95
2015 3q	524	12,463,895	1,871,844	15.0%	(6,073)	0	0	2	6,360	\$19.66
2015 2q	525	12,541,351	1,943,227	15.5%	(160,366)	0	0	1	3,560	\$19.73
2015 1q	526	12,546,641	1,788,151	14.3%	(74,398)	1	37,220	0	0	\$19.86
2014 4q	525	12,509,421	1,676,533	13.4%	207,165	0	0	1	37,220	\$19.76

Source: CoStar Property®



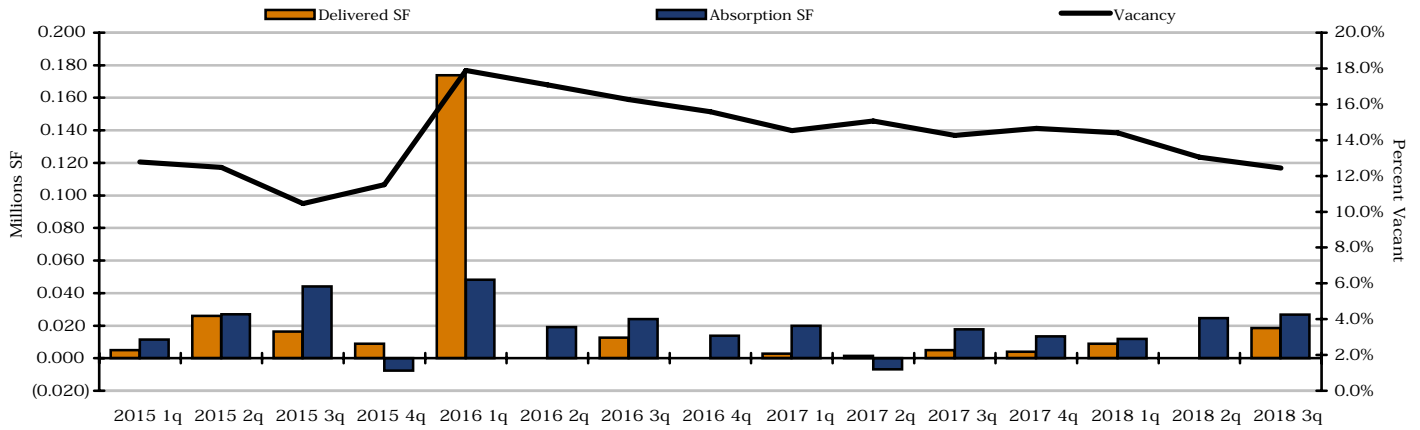
Houston Office Market

Northwest Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

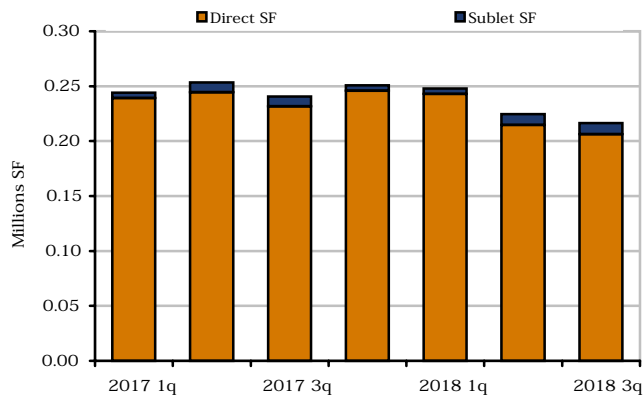
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

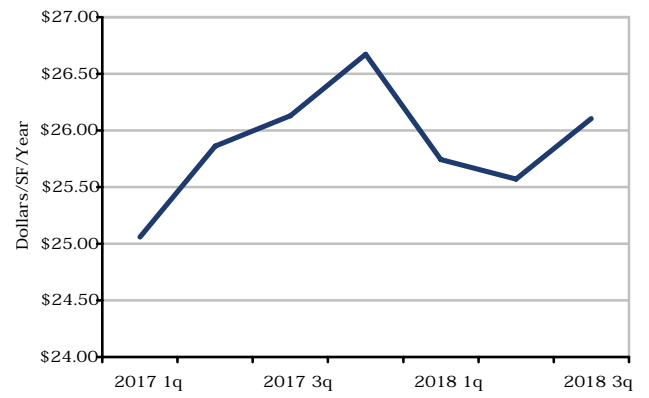
Historical Analysis, All Classes



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 3q	243	1,739,701	216,373	12.4%	26,782	4	18,448	7	47,141	\$26.11
2018 2q	239	1,721,253	224,707	13.1%	24,609	0	0	6	29,053	\$25.57
2018 1q	238	1,719,765	247,828	14.4%	11,942	3	8,872	5	20,841	\$25.74
2017 4q	235	1,710,893	250,898	14.7%	13,389	1	4,000	7	23,908	\$26.67
2017 3q	233	1,687,216	240,610	14.3%	17,772	3	4,889	6	35,437	\$26.13
2017 2q	230	1,682,327	253,493	15.1%	(6,848)	1	1,509	8	38,838	\$25.86
2017 1q	228	1,679,858	244,176	14.5%	19,908	1	2,728	6	28,903	\$25.06
2016 4q	227	1,677,130	261,356	15.6%	13,837	0	0	4	27,365	\$25.30
2016 3q	226	1,674,383	272,446	16.3%	23,993	1	12,592	5	30,112	\$25.61
2016 2q	225	1,661,791	283,847	17.1%	19,173	0	0	4	39,016	\$25.59
2016 1q	223	1,654,793	296,022	17.9%	48,231	5	173,872	4	22,337	\$25.52
2015 4q	218	1,480,921	170,381	11.5%	(7,618)	3	8,818	7	180,870	\$25.93
2015 3q	215	1,472,103	153,945	10.5%	44,036	3	16,400	9	186,688	\$26.34
2015 2q	212	1,455,703	181,581	12.5%	27,017	1	26,000	11	199,090	\$26.20
2015 1q	211	1,429,703	182,598	12.8%	11,534	1	4,900	8	216,889	\$25.94
2014 4q	210	1,424,803	189,232	13.3%	19,620	0	0	3	37,500	\$21.51

Source: CoStar Property®

Houston Office Market

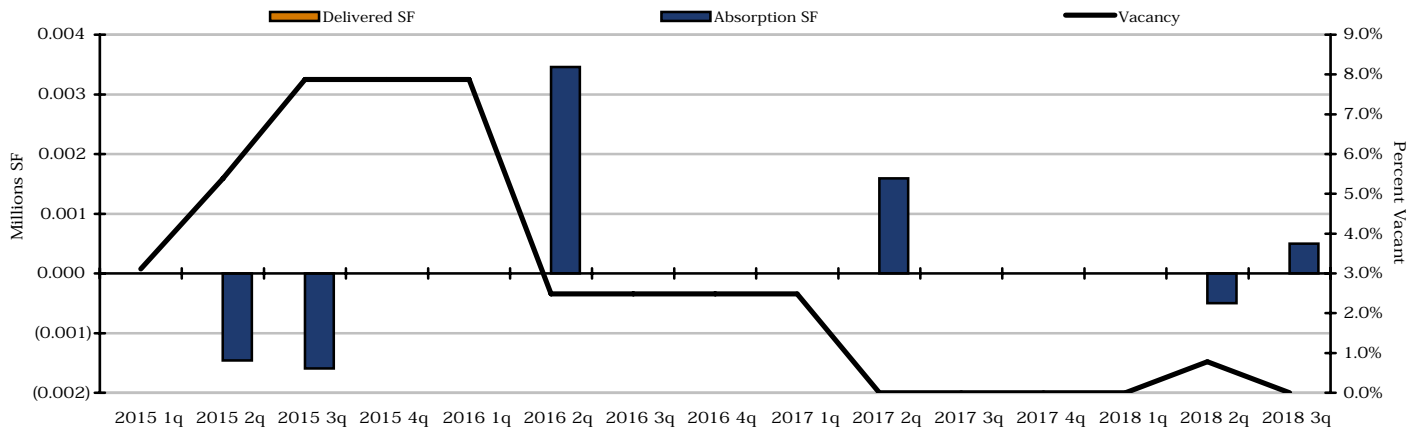


Outlying Chambers County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

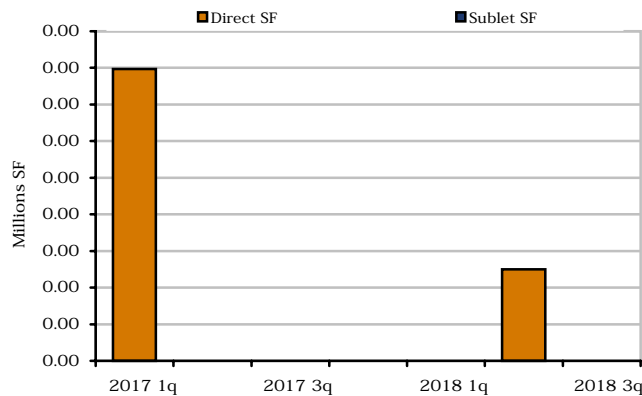
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

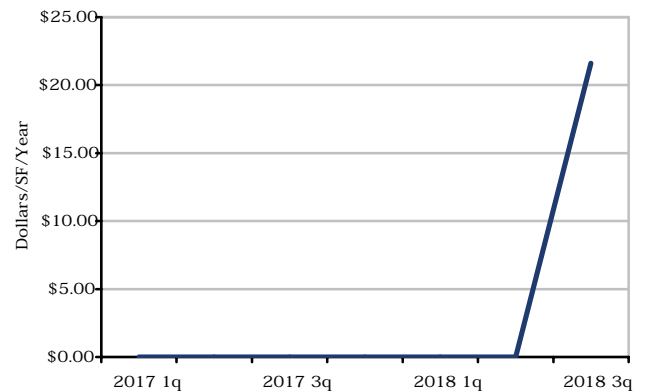
Historical Analysis, All Classes



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 3q	21	64,175	0	0.0%	500	0	0	1	7,421	\$21.60
2018 2q	21	64,175	500	0.8%	(500)	0	0	0	0	\$0.00
2018 1q	21	64,175	0	0.0%	0	0	0	0	0	\$0.00
2017 4q	21	64,175	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	21	64,175	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	21	64,175	0	0.0%	1,593	0	0	0	0	\$0.00
2017 1q	21	64,175	1,593	2.5%	0	0	0	0	0	\$0.00
2016 4q	21	64,175	1,593	2.5%	0	0	0	0	0	\$0.00
2016 3q	21	64,175	1,593	2.5%	0	0	0	0	0	\$0.00
2016 2q	21	64,175	1,593	2.5%	3,458	0	0	0	0	\$0.00
2016 1q	21	64,175	5,051	7.9%	0	0	0	0	0	\$0.00
2015 4q	21	64,175	5,051	7.9%	0	0	0	0	0	\$0.00
2015 3q	21	64,175	5,051	7.9%	(1,593)	0	0	0	0	\$0.00
2015 2q	21	64,175	3,458	5.4%	(1,458)	0	0	0	0	\$0.00
2015 1q	21	64,175	2,000	3.1%	0	0	0	0	0	\$0.00
2014 4q	21	64,175	2,000	3.1%	4,200	0	0	0	0	\$0.00

Source: CoStar Property®



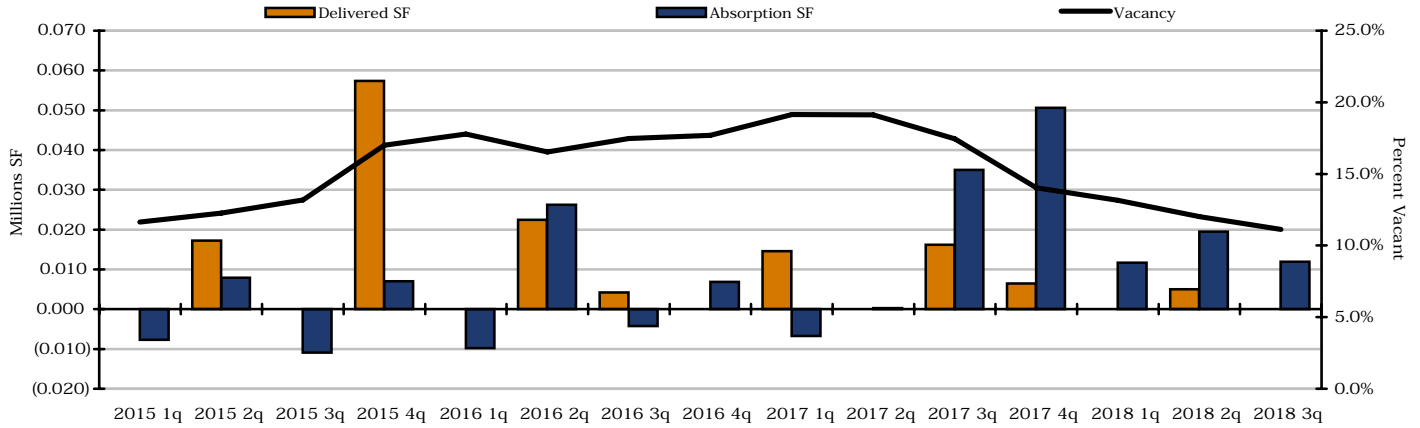
Houston Office Market

Outlying Montgomery Cnty Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

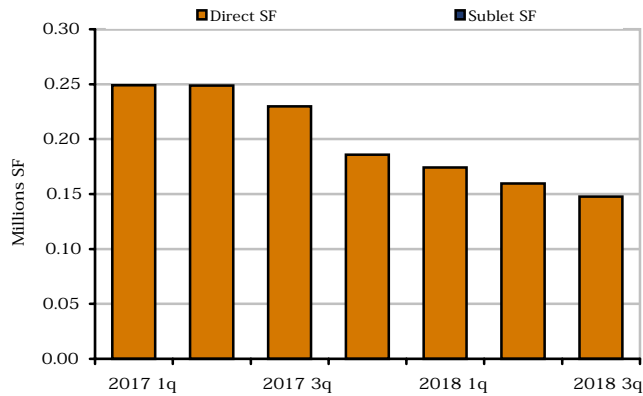
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

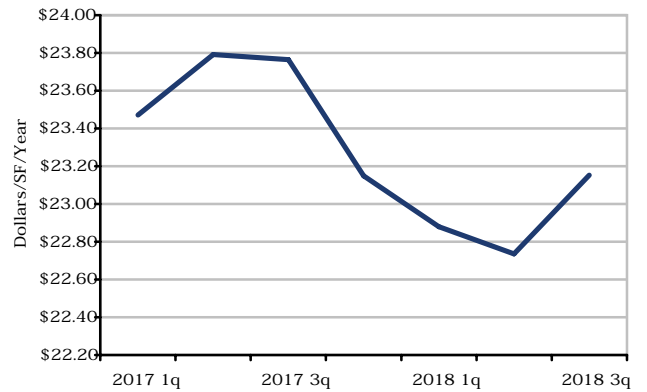
Historical Analysis, All Classes



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 3q	187	1,328,650	147,693	11.1%	11,939	0	0	4	38,552	\$23.15
2018 2q	187	1,328,650	159,632	12.0%	19,513	1	5,000	3	33,552	\$22.74
2018 1q	186	1,323,650	174,145	13.2%	11,696	0	0	2	26,952	\$22.88
2017 4q	186	1,323,650	185,841	14.0%	50,588	1	6,500	1	5,000	\$23.15
2017 3q	185	1,317,150	229,929	17.5%	35,048	2	16,200	1	6,500	\$23.76
2017 2q	183	1,300,950	248,777	19.1%	244	0	0	2	16,200	\$23.79
2017 1q	183	1,300,950	249,021	19.1%	(6,747)	2	14,580	2	16,200	\$23.47
2016 4q	181	1,286,370	227,694	17.7%	6,863	0	0	2	14,580	\$22.13
2016 3q	180	1,274,370	222,557	17.5%	(4,235)	1	4,200	3	26,580	\$22.01
2016 2q	178	1,265,170	209,122	16.5%	26,214	2	22,448	4	22,700	\$22.12
2016 1q	177	1,252,722	222,888	17.8%	(9,820)	0	0	5	43,648	\$22.41
2015 4q	177	1,252,722	213,068	17.0%	6,995	2	57,350	3	27,448	\$22.54
2015 3q	174	1,189,372	156,713	13.2%	(10,895)	0	0	5	85,798	\$22.46
2015 2q	174	1,189,372	145,818	12.3%	7,891	1	17,223	5	85,798	\$22.59
2015 1q	173	1,172,149	136,486	11.6%	(7,691)	0	0	5	87,923	\$23.66
2014 4q	173	1,172,149	128,795	11.0%	23,780	0	0	4	81,923	\$23.79

Source: CoStar Property®

Houston Office Market

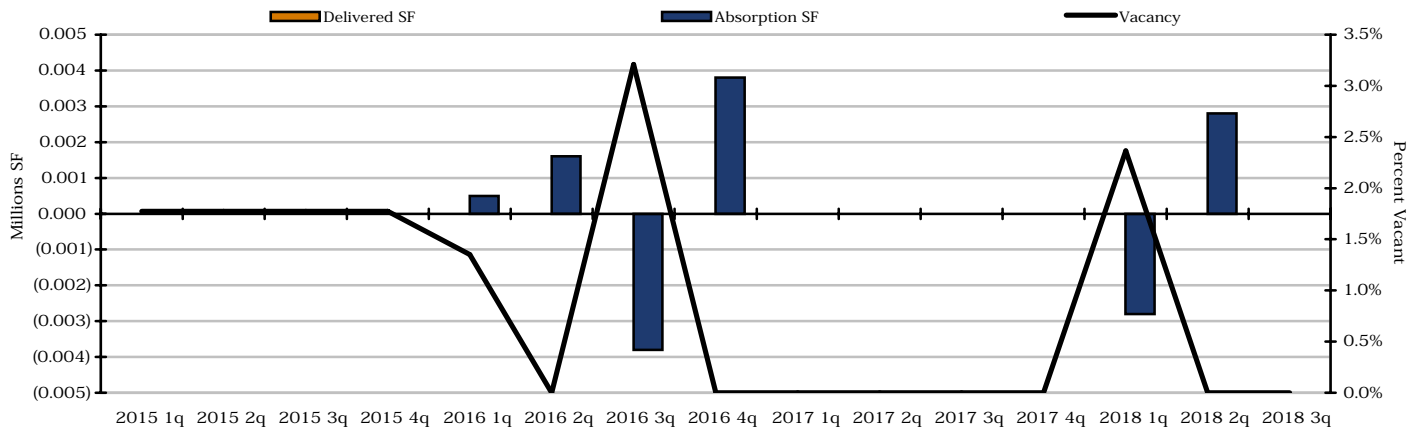


Outlying Waller County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

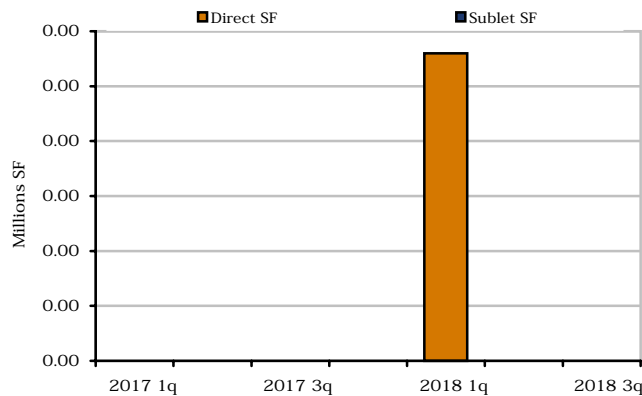
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

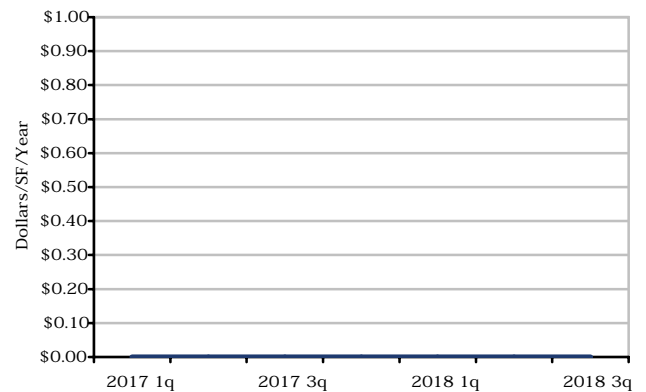
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 3q	22	118,433	0	0.0%	0	0	0	0	0	\$0.00
2018 2q	22	118,433	0	0.0%	2,800	0	0	0	0	\$0.00
2018 1q	22	118,433	2,800	2.4%	(2,800)	0	0	0	0	\$0.00
2017 4q	22	118,433	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	22	118,433	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	22	118,433	0	0.0%	0	0	0	0	0	\$0.00
2017 1q	22	118,433	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	22	118,433	0	0.0%	3,800	0	0	0	0	\$0.00
2016 3q	22	118,433	3,800	3.2%	(3,800)	0	0	0	0	\$0.00
2016 2q	22	118,433	0	0.0%	1,600	0	0	0	0	\$0.00
2016 1q	22	118,433	1,600	1.4%	500	0	0	0	0	\$0.00
2015 4q	22	118,433	2,100	1.8%	0	0	0	0	0	\$0.00
2015 3q	22	118,433	2,100	1.8%	0	0	0	0	0	\$4.86
2015 2q	22	118,433	2,100	1.8%	0	0	0	0	0	\$4.86
2015 1q	22	118,433	2,100	1.8%	0	0	0	0	0	\$4.86
2014 4q	22	118,433	2,100	1.8%	0	0	0	0	0	\$0.00

Source: CoStar Property®



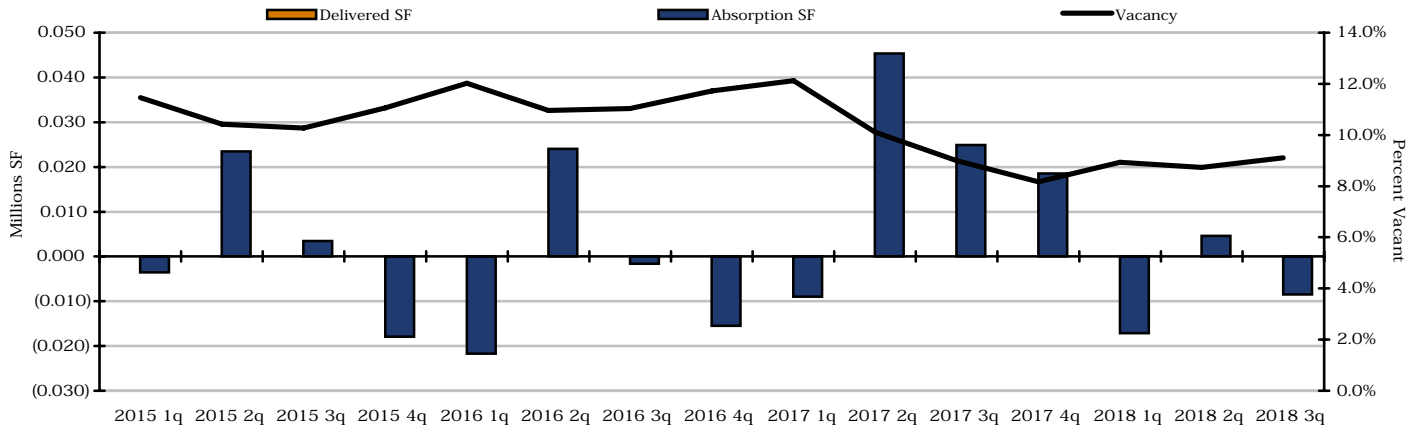
Houston Office Market

Richmond / Fountainview Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

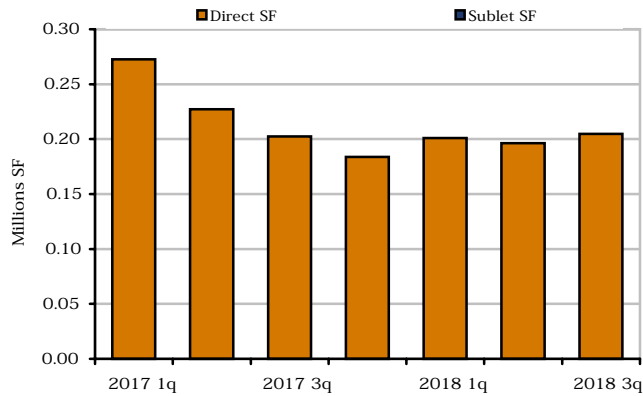
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

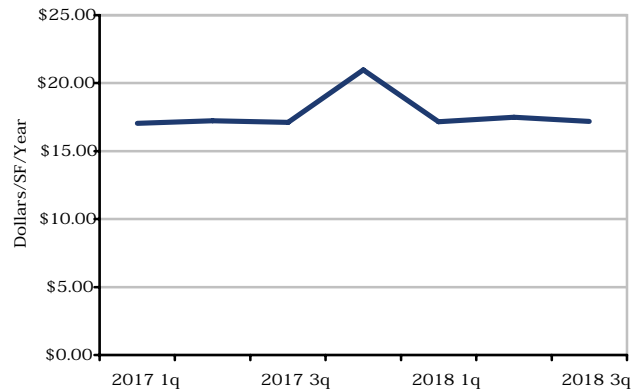
Historical Analysis, All Classes



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 3q	118	2,248,981	204,772	9.1%	(8,490)	0	0	1	4,500	\$17.19
2018 2q	118	2,248,981	196,282	8.7%	4,600	0	0	0	0	\$17.49
2018 1q	118	2,248,981	200,882	8.9%	(17,113)	0	0	0	0	\$17.17
2017 4q	118	2,248,981	183,769	8.2%	18,540	0	0	0	0	\$20.98
2017 3q	118	2,248,981	202,309	9.0%	24,923	0	0	0	0	\$17.12
2017 2q	118	2,248,981	227,232	10.1%	45,347	0	0	0	0	\$17.24
2017 1q	118	2,248,981	272,579	12.1%	(8,980)	0	0	0	0	\$17.03
2016 4q	118	2,248,981	263,599	11.7%	(15,521)	0	0	0	0	\$17.22
2016 3q	118	2,248,981	248,078	11.0%	(1,615)	0	0	0	0	\$17.09
2016 2q	118	2,248,981	246,463	11.0%	24,049	0	0	0	0	\$17.17
2016 1q	118	2,248,981	270,512	12.0%	(21,682)	0	0	0	0	\$17.09
2015 4q	118	2,248,981	248,830	11.1%	(17,930)	0	0	0	0	\$16.69
2015 3q	118	2,248,981	230,900	10.3%	3,488	0	0	0	0	\$16.77
2015 2q	118	2,248,981	234,388	10.4%	23,472	0	0	0	0	\$16.52
2015 1q	118	2,248,981	257,860	11.5%	(3,534)	0	0	0	0	\$16.23
2014 4q	118	2,248,981	254,326	11.3%	118,668	0	0	0	0	\$16.00

Source: CoStar Property®

Houston Office Market

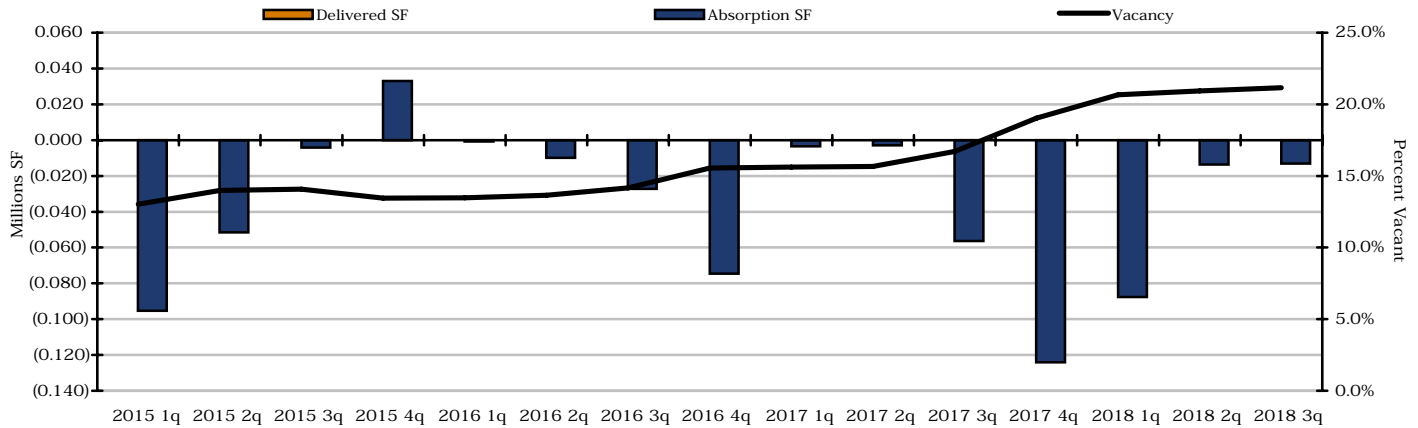


San Felipe / Voss Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

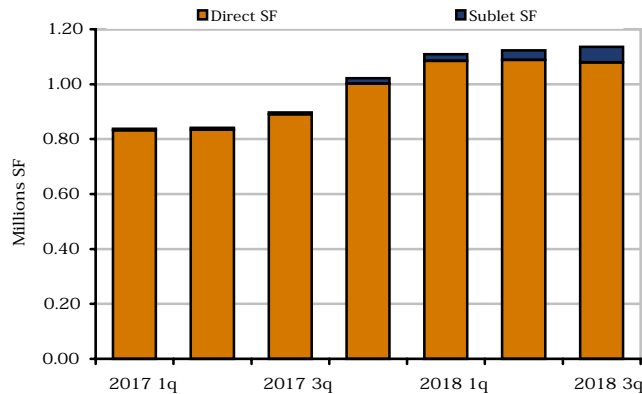
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

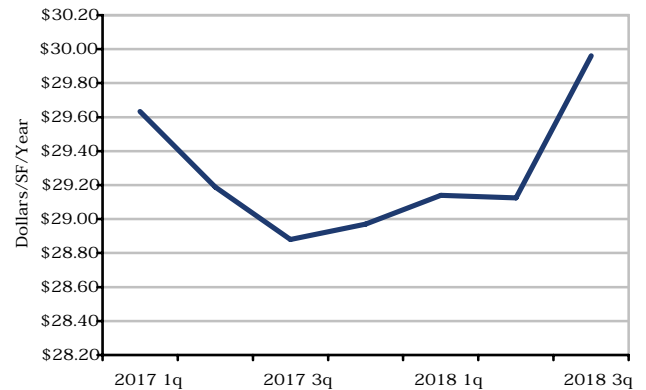
Historical Analysis, All Classes



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 3q	51	5,366,506	1,135,906	21.2%	(13,084)	0	0	0	0	\$29.96
2018 2q	51	5,366,506	1,122,822	20.9%	(13,667)	0	0	0	0	\$29.12
2018 1q	51	5,366,506	1,109,155	20.7%	(87,588)	0	0	0	0	\$29.14
2017 4q	51	5,366,506	1,021,567	19.0%	(124,159)	0	0	0	0	\$28.97
2017 3q	51	5,366,506	897,408	16.7%	(56,365)	0	0	0	0	\$28.88
2017 2q	51	5,366,506	841,043	15.7%	(2,962)	0	0	0	0	\$29.19
2017 1q	51	5,366,506	838,081	15.6%	(3,477)	0	0	0	0	\$29.63
2016 4q	51	5,366,506	834,604	15.6%	(74,499)	0	0	0	0	\$29.75
2016 3q	51	5,366,506	760,105	14.2%	(27,305)	0	0	0	0	\$29.99
2016 2q	51	5,366,506	732,800	13.7%	(9,924)	0	0	0	0	\$30.15
2016 1q	51	5,366,506	722,876	13.5%	(753)	0	0	0	0	\$29.31
2015 4q	51	5,366,506	722,123	13.5%	32,963	0	0	0	0	\$30.34
2015 3q	51	5,366,506	755,086	14.1%	(4,119)	0	0	0	0	\$30.97
2015 2q	51	5,366,506	750,967	14.0%	(51,617)	0	0	0	0	\$30.49
2015 1q	51	5,366,506	699,350	13.0%	(95,257)	0	0	0	0	\$30.22
2014 4q	51	5,366,506	604,093	11.3%	(36,778)	0	0	0	0	\$29.84

Source: CoStar Property®



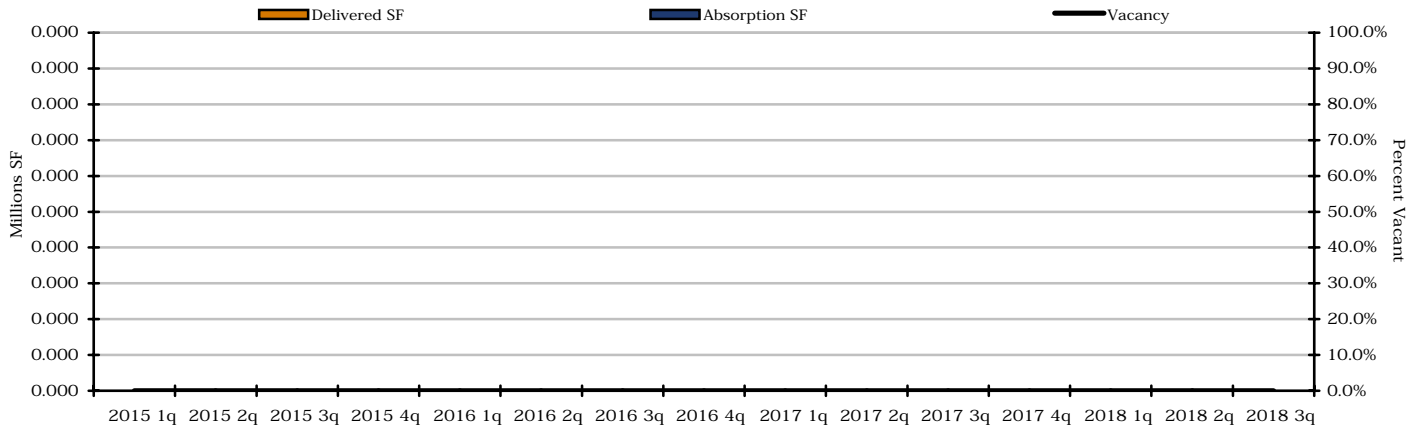
Houston Office Market

San Jacinto County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

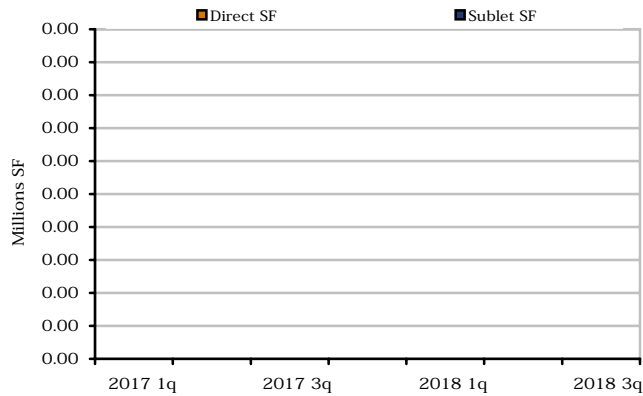
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

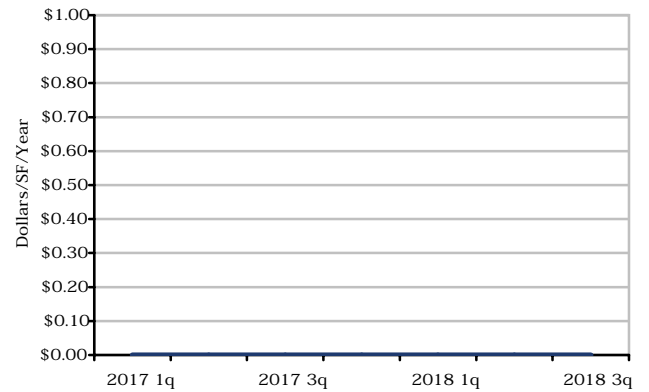
Historical Analysis, All Classes



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

Source: CoStar Property®

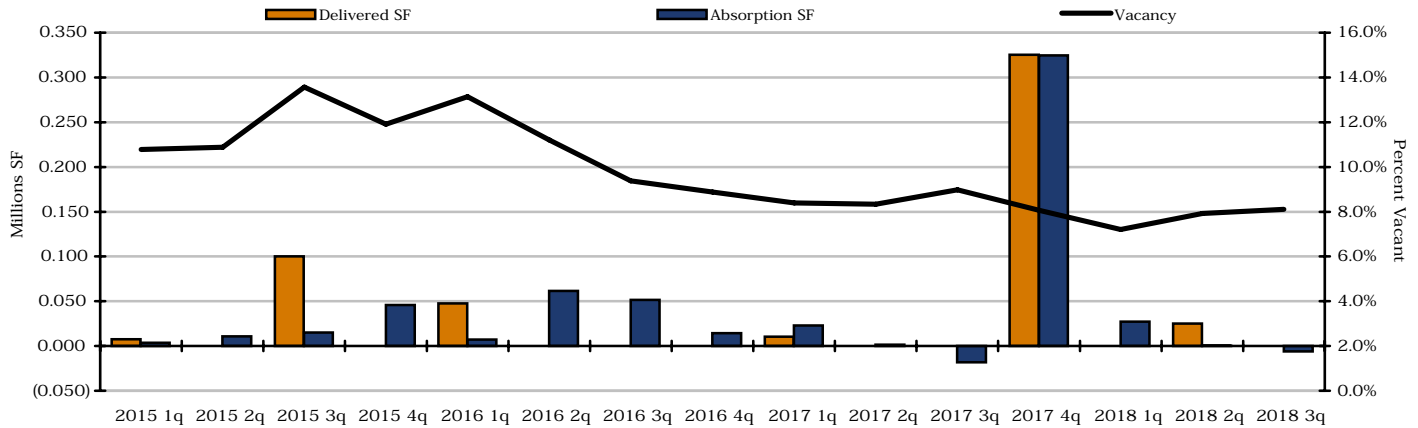
Houston Office Market



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

Deliveries, Absorption & Vacancy

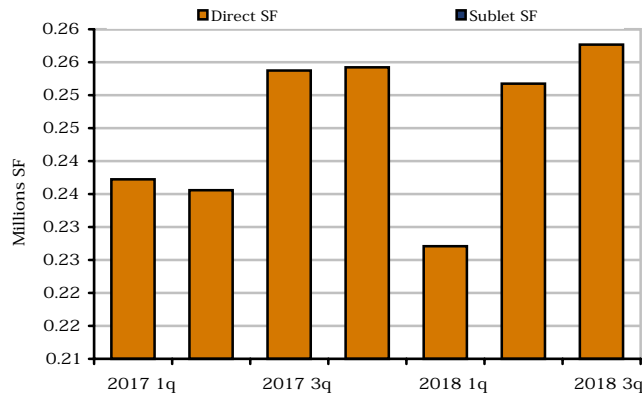
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

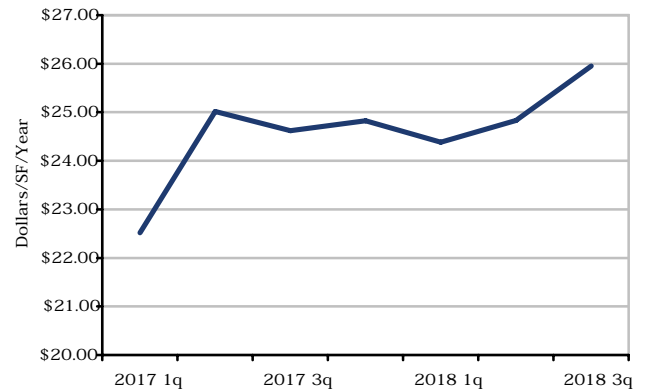
Historical Analysis, All Classes



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 3q	256	3,175,703	257,647	8.1%	(5,897)	0	0	1	32,900	\$25.95
2018 2q	256	3,175,703	251,750	7.9%	348	1	25,000	0	0	\$24.83
2018 1q	255	3,150,703	227,098	7.2%	27,112	0	0	1	25,000	\$24.38
2017 4q	255	3,150,703	254,210	8.1%	324,741	2	325,225	1	25,000	\$24.82
2017 3q	253	2,825,478	253,726	9.0%	(18,127)	0	0	3	350,225	\$24.62
2017 2q	253	2,825,478	235,599	8.3%	1,625	0	0	3	350,225	\$25.02
2017 1q	253	2,825,478	237,224	8.4%	23,082	1	10,394	3	350,225	\$22.52
2016 4q	252	2,815,084	249,912	8.9%	14,253	0	0	2	287,164	\$22.28
2016 3q	252	2,815,084	264,165	9.4%	51,606	0	0	2	287,164	\$22.47
2016 2q	252	2,815,084	315,771	11.2%	61,382	0	0	2	287,164	\$25.71
2016 1q	251	2,806,684	368,753	13.1%	7,231	1	47,500	1	8,400	\$23.18
2015 4q	250	2,759,184	328,484	11.9%	45,815	0	0	2	55,900	\$23.56
2015 3q	250	2,759,184	374,299	13.6%	14,962	1	100,000	2	55,900	\$23.54
2015 2q	249	2,659,184	289,261	10.9%	10,939	0	0	2	147,500	\$25.22
2015 1q	247	2,643,866	284,882	10.8%	3,571	1	7,700	3	115,318	\$24.48
2014 4q	246	2,636,166	280,753	10.7%	21,849	0	0	4	123,018	\$24.34

Source: CoStar Property®



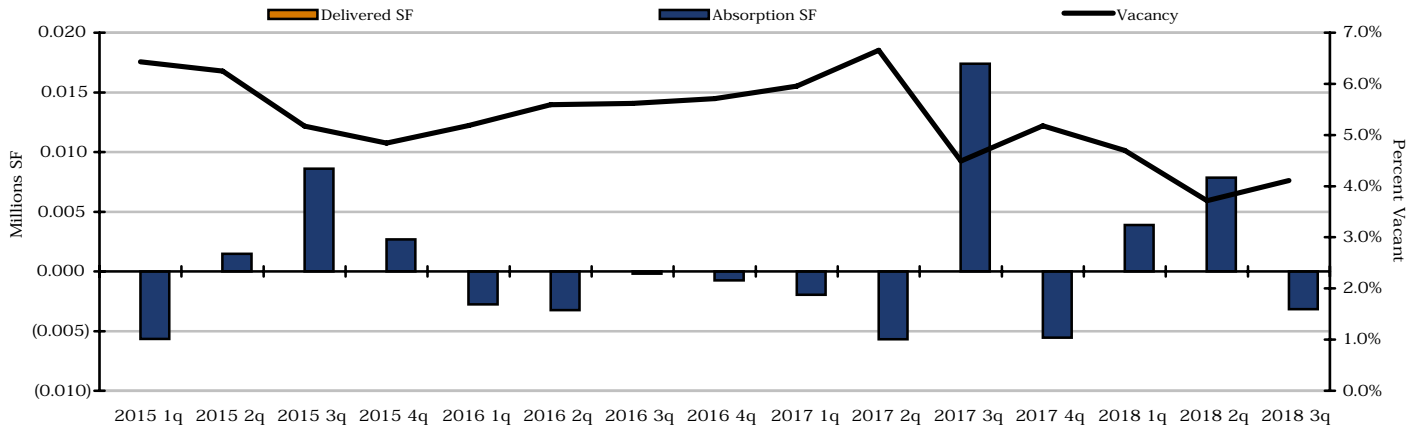
Houston Office Market

South Hwy 35 Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

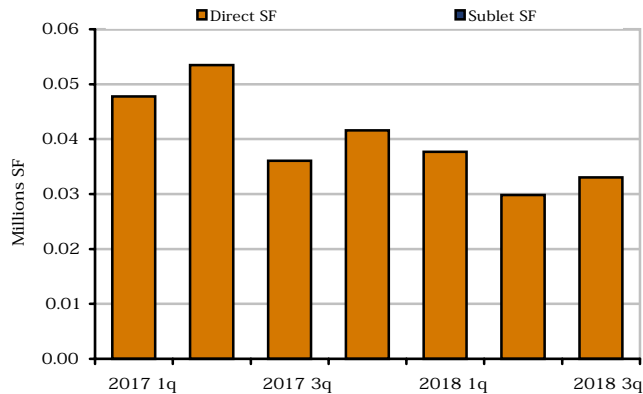
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

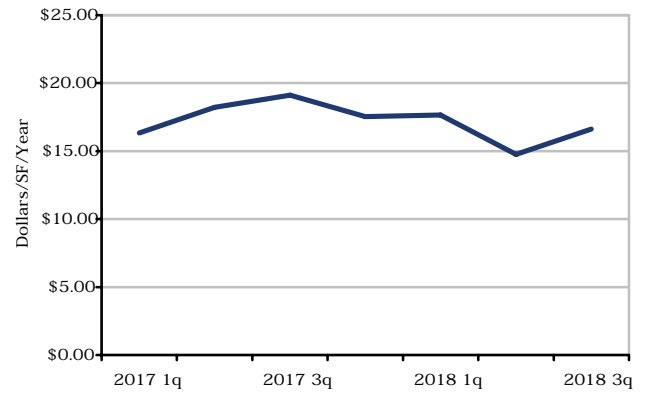
Historical Analysis, All Classes



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 3q	150	802,866	33,005	4.1%	(3,173)	0	0	1	15,000	\$16.61
2018 2q	150	802,866	29,832	3.7%	7,863	0	0	1	15,000	\$14.76
2018 1q	150	802,866	37,695	4.7%	3,898	0	0	1	15,000	\$17.66
2017 4q	150	802,866	41,593	5.2%	(5,542)	0	0	0	0	\$17.53
2017 3q	150	802,866	36,051	4.5%	17,412	0	0	0	0	\$19.11
2017 2q	150	802,866	53,463	6.7%	(5,674)	0	0	0	0	\$18.23
2017 1q	150	802,866	47,789	6.0%	(1,959)	0	0	0	0	\$16.34
2016 4q	150	802,866	45,830	5.7%	(743)	0	0	0	0	\$16.26
2016 3q	150	802,866	45,087	5.6%	(194)	0	0	0	0	\$15.10
2016 2q	150	802,866	44,893	5.6%	(3,251)	0	0	0	0	\$13.45
2016 1q	150	802,866	41,642	5.2%	(2,757)	0	0	0	0	\$15.16
2015 4q	150	802,866	38,885	4.8%	2,670	0	0	0	0	\$16.38
2015 3q	150	802,866	41,555	5.2%	8,600	0	0	0	0	\$15.38
2015 2q	150	802,866	50,155	6.2%	1,486	0	0	0	0	\$15.16
2015 1q	150	802,866	51,641	6.4%	(5,670)	0	0	0	0	\$15.86
2014 4q	150	802,866	45,971	5.7%	(4,039)	0	0	0	0	\$16.86

Source: CoStar Property®

Houston Office Market

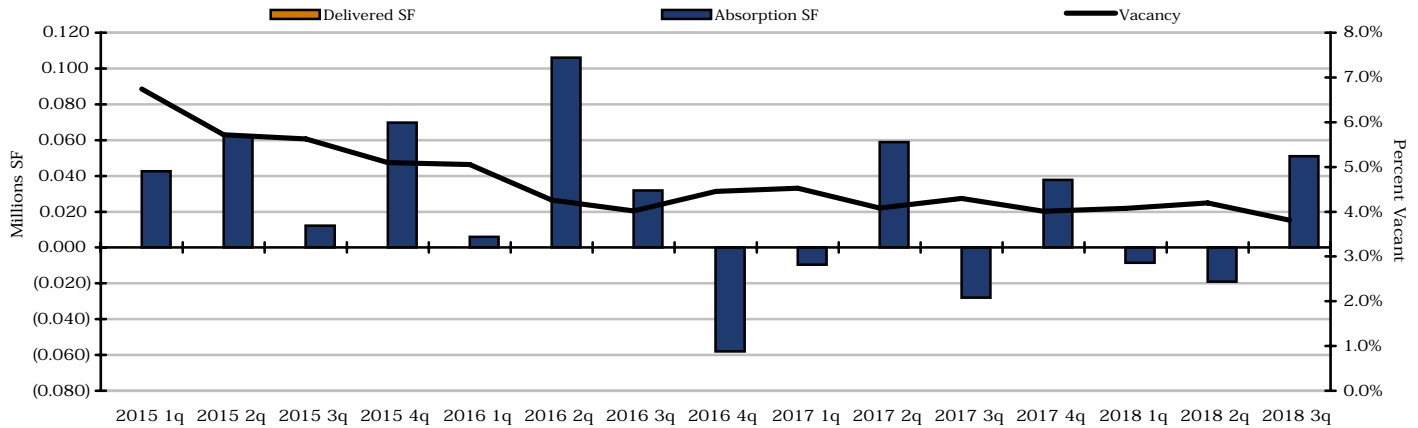


South Main / Medical Center Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

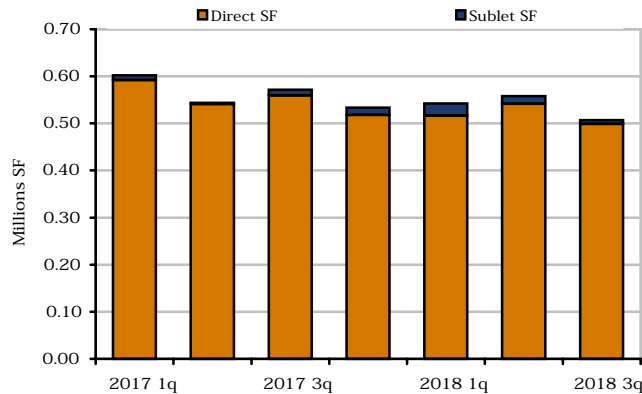
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

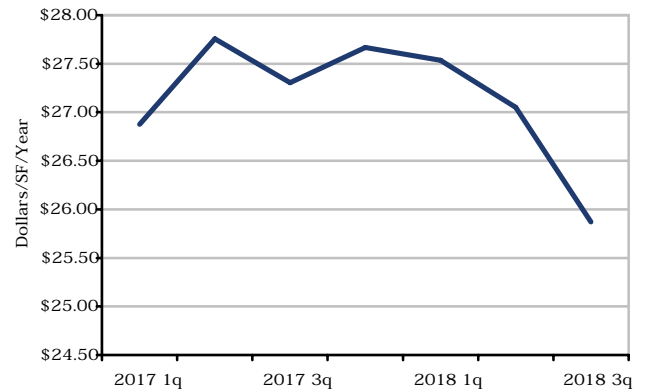
Historical Analysis, All Classes



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 3q	238	13,302,821	506,893	3.8%	50,997	0	0	0	0	\$25.87
2018 2q	238	13,302,821	557,890	4.2%	(19,094)	0	0	0	0	\$27.05
2018 1q	239	13,306,321	542,296	4.1%	(8,530)	0	0	0	0	\$27.54
2017 4q	239	13,306,321	533,766	4.0%	37,732	0	0	0	0	\$27.67
2017 3q	239	13,306,321	571,498	4.3%	(28,008)	0	0	0	0	\$27.30
2017 2q	239	13,306,321	543,490	4.1%	58,838	0	0	0	0	\$27.76
2017 1q	239	13,306,321	602,328	4.5%	(9,658)	0	0	0	0	\$26.87
2016 4q	239	13,306,321	592,670	4.5%	(58,022)	0	0	0	0	\$26.50
2016 3q	239	13,306,321	534,648	4.0%	31,927	0	0	0	0	\$26.45
2016 2q	239	13,306,321	566,575	4.3%	106,146	0	0	0	0	\$26.34
2016 1q	239	13,306,321	672,721	5.1%	5,905	0	0	0	0	\$26.60
2015 4q	239	13,306,321	678,626	5.1%	69,711	0	0	0	0	\$26.71
2015 3q	239	13,306,321	748,337	5.6%	12,237	0	0	0	0	\$26.41
2015 2q	239	13,306,321	760,574	5.7%	62,651	0	0	0	0	\$26.63
2015 1q	240	13,385,654	902,558	6.7%	42,528	0	0	0	0	\$26.22
2014 4q	240	13,385,654	945,086	7.1%	21,161	0	0	0	0	\$26.61

Source: CoStar Property®



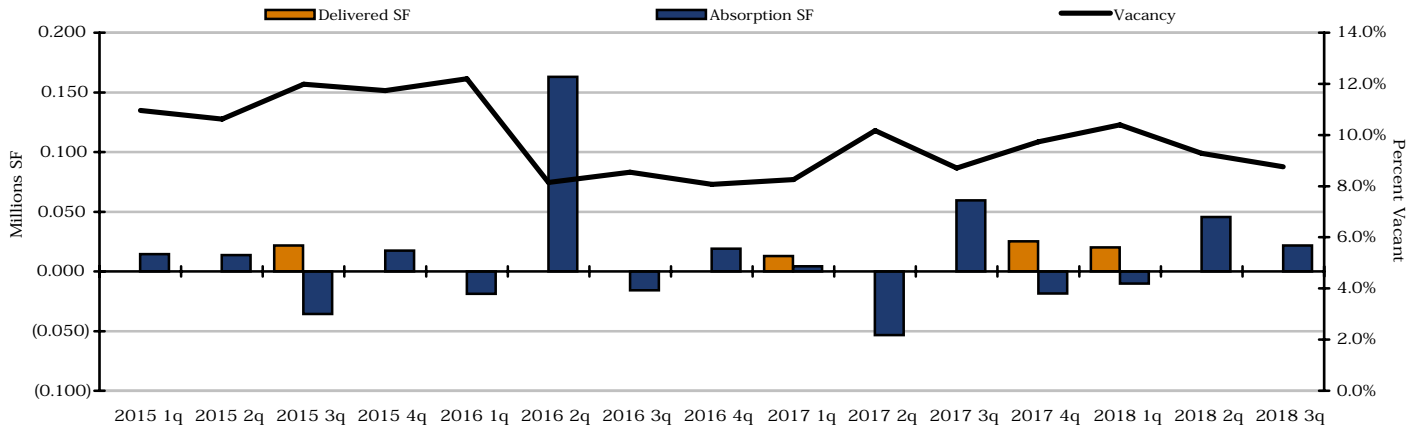
Houston Office Market

Southeast Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

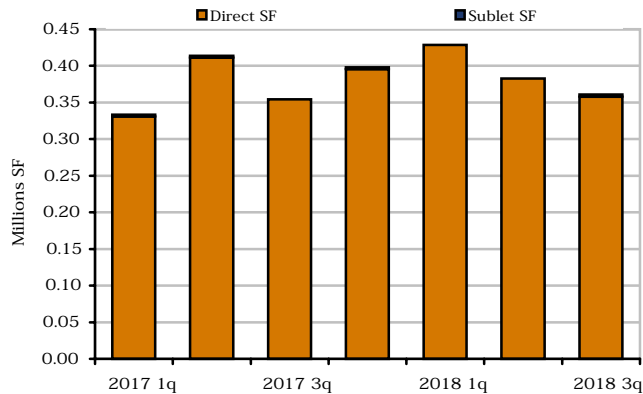
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

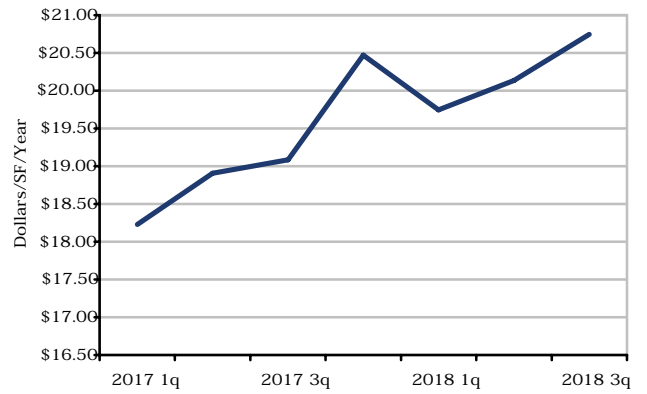
Historical Analysis, All Classes



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 3q	343	4,121,462	361,070	8.8%	21,765	0	0	1	15,000	\$20.74
2018 2q	343	4,121,462	382,835	9.3%	45,564	0	0	1	15,000	\$20.14
2018 1q	343	4,121,462	428,399	10.4%	(10,281)	2	20,070	0	0	\$19.75
2017 4q	340	4,091,645	398,048	9.7%	(18,618)	1	25,120	2	20,070	\$20.47
2017 3q	339	4,066,525	354,310	8.7%	59,431	0	0	3	45,190	\$19.09
2017 2q	339	4,066,525	413,741	10.2%	(53,314)	0	0	3	45,190	\$18.91
2017 1q	338	4,039,447	333,349	8.3%	4,326	3	12,743	3	62,268	\$18.23
2016 4q	335	4,026,704	324,932	8.1%	19,104	0	0	5	64,941	\$19.08
2016 3q	335	4,026,704	344,036	8.5%	(15,860)	0	0	3	35,021	\$19.98
2016 2q	335	4,026,704	328,176	8.1%	163,086	0	0	3	35,021	\$20.19
2016 1q	335	4,026,704	491,262	12.2%	(18,739)	0	0	1	27,078	\$19.61
2015 4q	335	4,026,704	472,523	11.7%	17,323	0	0	1	27,078	\$18.30
2015 3q	334	4,018,704	481,846	12.0%	(35,669)	2	21,780	2	35,078	\$18.54
2015 2q	332	3,996,924	424,397	10.6%	13,753	0	0	4	56,858	\$19.30
2015 1q	332	3,996,924	438,150	11.0%	14,456	0	0	2	21,780	\$19.49
2014 4q	332	3,996,924	452,606	11.3%	10,648	0	0	2	21,780	\$19.62

Source: CoStar Property®

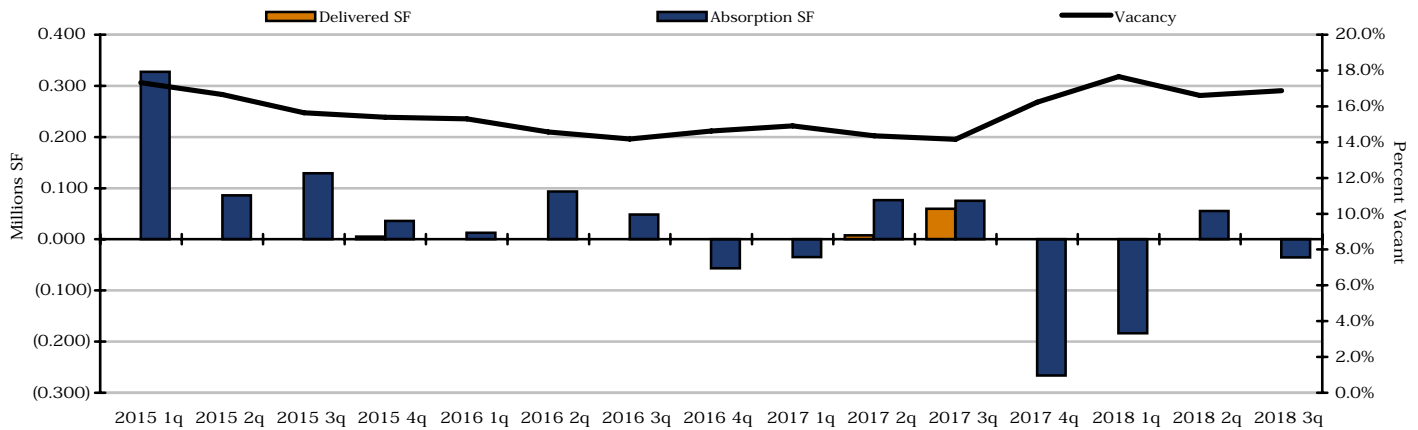
Houston Office Market



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

Deliveries, Absorption & Vacancy

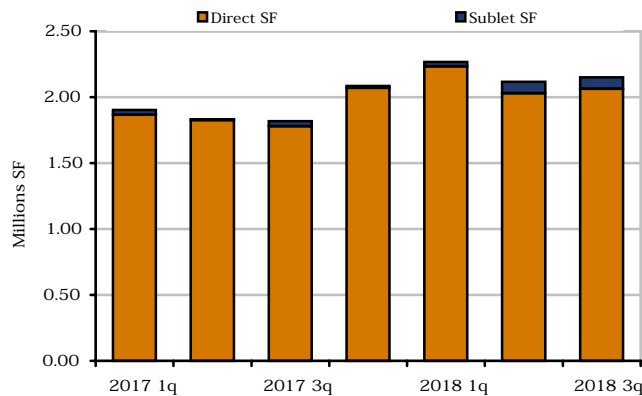
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

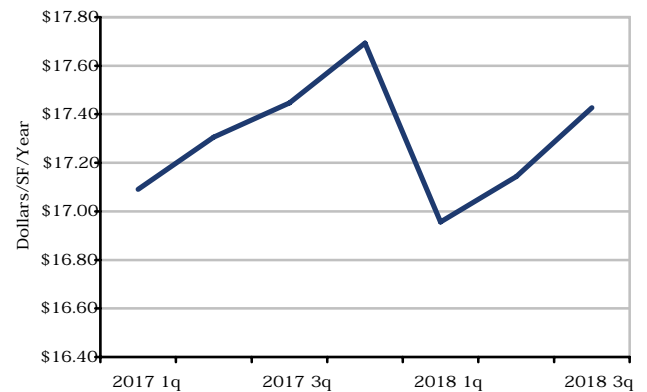
Historical Analysis, All Classes



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 3q	298	12,749,914	2,151,381	16.9%	(35,149)	0	0	0	0	\$17.43
2018 2q	298	12,749,914	2,116,232	16.6%	55,215	0	0	0	0	\$17.14
2018 1q	300	12,846,388	2,267,921	17.7%	(183,694)	0	0	0	0	\$16.96
2017 4q	299	12,836,596	2,084,227	16.2%	(266,008)	0	0	0	0	\$17.69
2017 3q	299	12,836,596	1,818,219	14.2%	75,148	1	60,000	0	0	\$17.45
2017 2q	298	12,776,596	1,833,367	14.3%	76,642	1	7,600	1	60,000	\$17.31
2017 1q	297	12,768,996	1,902,409	14.9%	(34,709)	0	0	2	67,600	\$17.09
2016 4q	297	12,768,996	1,867,700	14.6%	(56,806)	0	0	2	67,600	\$17.17
2016 3q	297	12,768,996	1,810,894	14.2%	48,200	0	0	2	67,600	\$16.79
2016 2q	297	12,768,996	1,859,094	14.6%	93,379	0	0	2	67,600	\$16.71
2016 1q	297	12,768,996	1,952,473	15.3%	12,847	0	0	1	60,000	\$16.56
2015 4q	297	12,768,996	1,965,320	15.4%	36,203	1	5,000	0	0	\$16.29
2015 3q	296	12,763,996	1,996,523	15.6%	129,344	0	0	1	5,000	\$16.26
2015 2q	296	12,763,996	2,125,867	16.7%	85,753	0	0	1	5,000	\$16.05
2015 1q	296	12,763,996	2,211,620	17.3%	327,628	0	0	1	5,000	\$15.92
2014 4q	297	12,842,884	2,618,136	20.4%	120,471	0	0	0	0	\$15.60

Source: CoStar Property®



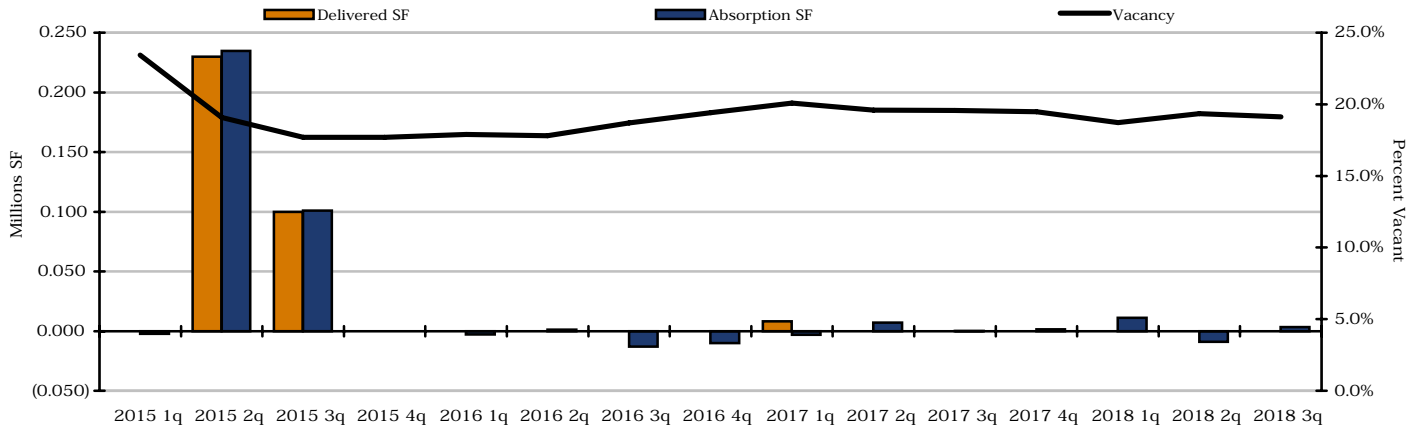
Houston Office Market

Southwest Far Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

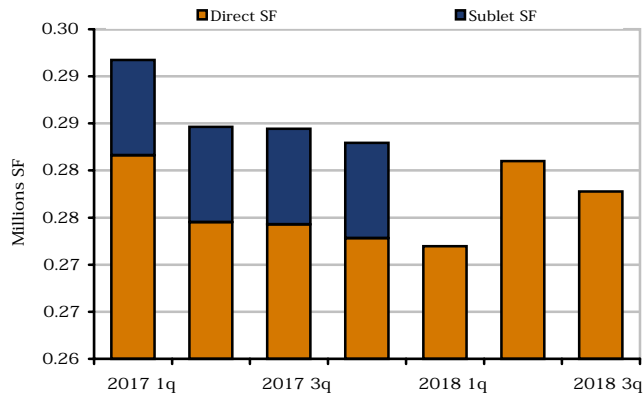
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

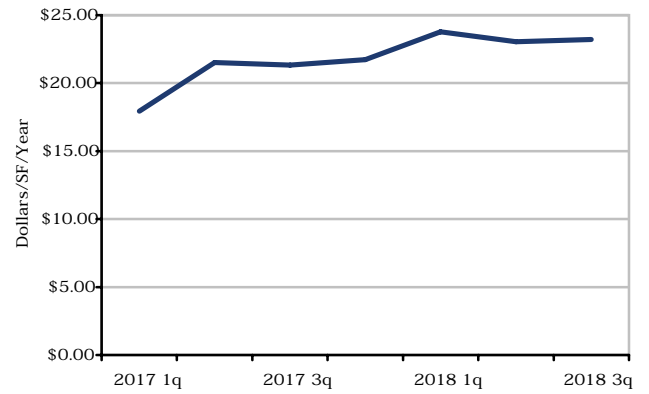
Historical Analysis, All Classes



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 3q	91	1,453,055	277,774	19.1%	3,226	0	0	0	0	\$23.22
2018 2q	91	1,453,055	281,000	19.3%	(9,053)	0	0	0	0	\$23.04
2018 1q	91	1,453,055	271,947	18.7%	11,006	0	0	0	0	\$23.77
2017 4q	91	1,453,055	282,953	19.5%	1,470	0	0	0	0	\$21.73
2017 3q	91	1,453,055	284,423	19.6%	210	0	0	0	0	\$21.33
2017 2q	91	1,453,055	284,633	19.6%	7,102	0	0	0	0	\$21.51
2017 1q	91	1,453,055	291,735	20.1%	(3,184)	1	8,066	0	0	\$17.94
2016 4q	90	1,444,989	280,485	19.4%	(10,180)	0	0	1	8,066	\$17.53
2016 3q	90	1,444,989	270,305	18.7%	(13,089)	0	0	1	8,066	\$17.19
2016 2q	90	1,444,989	257,216	17.8%	1,307	0	0	1	8,066	\$20.97
2016 1q	90	1,444,989	258,523	17.9%	(2,770)	0	0	0	0	\$19.80
2015 4q	90	1,444,989	255,753	17.7%	(150)	0	0	0	0	\$19.58
2015 3q	90	1,444,989	255,603	17.7%	101,000	1	100,000	0	0	\$20.15
2015 2q	89	1,344,989	256,603	19.1%	234,828	1	230,000	1	100,000	\$19.90
2015 1q	88	1,114,989	261,431	23.4%	(2,400)	0	0	2	330,000	\$20.93
2014 4q	88	1,114,989	259,031	23.2%	70,470	0	0	2	330,000	\$20.48

Source: CoStar Property®

Houston Office Market

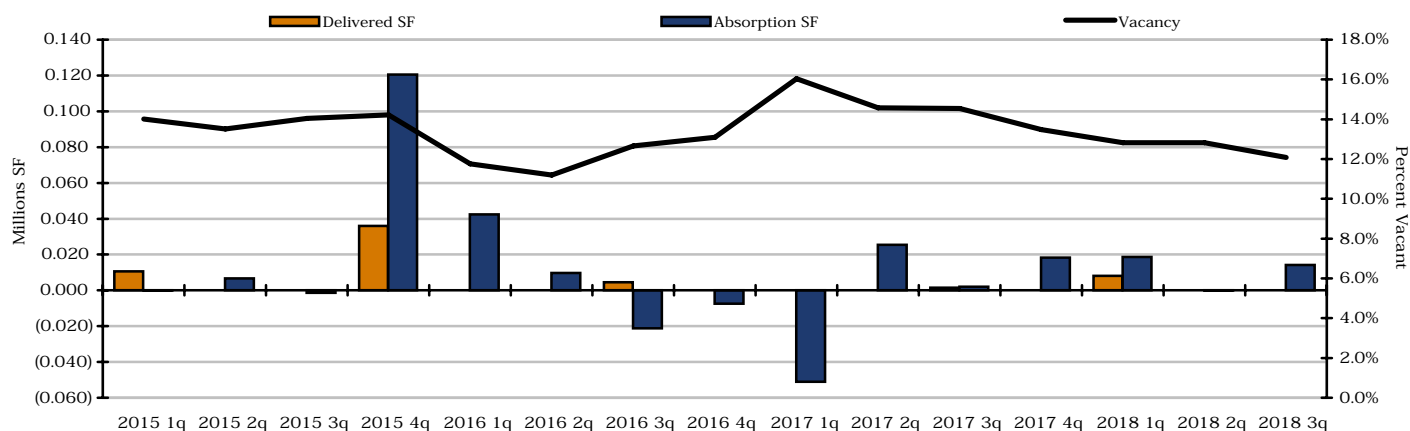


Southwest Outlier Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

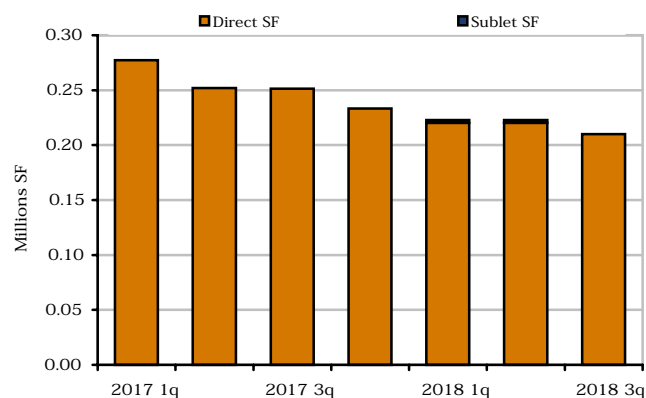
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

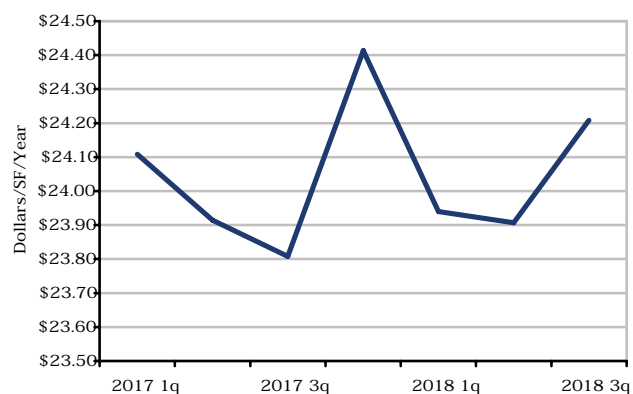
Historical Analysis, All Classes



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 3q	204	1,739,118	210,000	12.1%	14,090	0	0	0	0	\$24.21
2018 2q	203	1,737,918	222,890	12.8%	(139)	0	0	1	1,200	\$23.91
2018 1q	203	1,737,918	222,751	12.8%	18,561	1	8,100	1	1,200	\$23.94
2017 4q	202	1,729,818	233,212	13.5%	18,225	0	0	2	9,300	\$24.41
2017 3q	202	1,729,818	251,437	14.5%	1,963	1	1,572	1	1,200	\$23.81
2017 2q	201	1,728,246	251,828	14.6%	25,433	0	0	2	2,772	\$23.91
2017 1q	201	1,728,246	277,261	16.0%	(51,047)	0	0	1	1,572	\$24.11
2016 4q	201	1,728,246	226,214	13.1%	(7,436)	0	0	0	0	\$23.96
2016 3q	201	1,728,246	218,778	12.7%	(21,186)	2	4,577	0	0	\$23.61
2016 2q	199	1,723,669	193,015	11.2%	9,780	0	0	2	4,577	\$22.64
2016 1q	199	1,723,669	202,795	11.8%	42,327	0	0	2	4,577	\$22.94
2015 4q	199	1,723,669	245,122	14.2%	120,524	1	36,000	0	0	\$25.55
2015 3q	196	1,579,807	221,784	14.0%	(1,458)	0	0	3	143,862	\$24.98
2015 2q	195	1,571,807	212,326	13.5%	6,625	0	0	4	151,862	\$24.70
2015 1q	196	1,573,307	220,451	14.0%	(186)	3	10,599	3	115,862	\$24.68
2014 4q	193	1,562,708	209,666	13.4%	(1,287)	1	12,000	5	117,461	\$24.87

Source: CoStar Property®



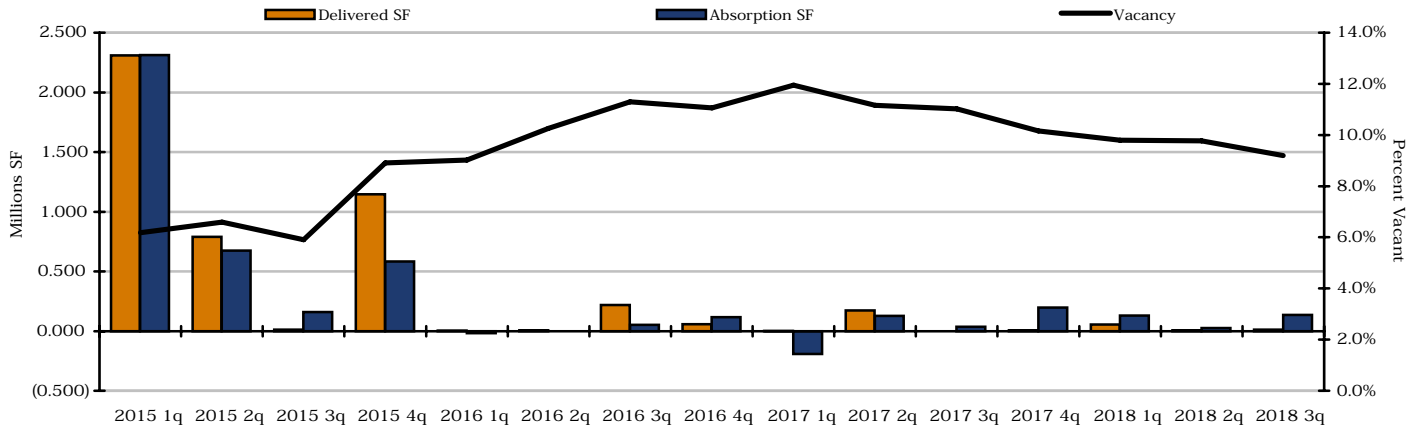
Houston Office Market

The Woodlands Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

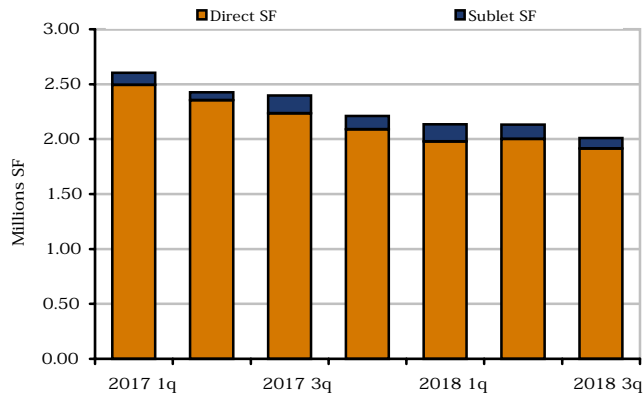
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

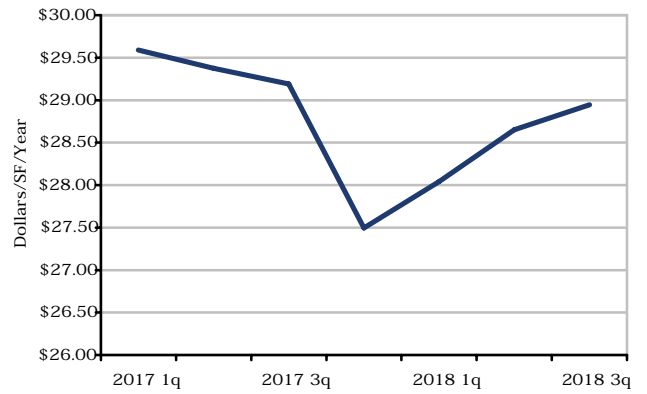
Historical Analysis, All Classes



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 3q	628	21,845,607	2,009,721	9.2%	134,412	1	11,500	7	971,140	\$28.95
2018 2q	627	21,834,107	2,132,633	9.8%	26,765	1	8,000	7	933,800	\$28.65
2018 1q	624	21,810,552	2,135,843	9.8%	129,536	4	53,900	8	797,855	\$28.04
2017 4q	620	21,756,652	2,211,479	10.2%	195,801	1	5,835	12	851,755	\$27.50
2017 3q	618	21,746,117	2,396,745	11.0%	35,144	0	0	11	827,790	\$29.19
2017 2q	617	21,741,617	2,427,389	11.2%	126,950	1	171,996	6	375,835	\$29.38
2017 1q	615	21,789,795	2,602,517	11.9%	(191,457)	1	2,001	7	555,306	\$29.59
2016 4q	614	21,787,794	2,409,059	11.1%	115,739	9	58,238	7	230,507	\$29.15
2016 3q	604	21,717,556	2,454,560	11.3%	51,172	4	218,563	16	296,245	\$29.53
2016 2q	596	21,408,610	2,196,786	10.3%	(314)	1	7,000	20	575,180	\$29.55
2016 1q	590	21,116,936	1,904,798	9.0%	(18,162)	1	4,900	23	663,658	\$29.90
2015 4q	589	21,112,036	1,881,736	8.9%	584,299	5	1,145,993	18	623,266	\$29.61
2015 3q	583	19,816,043	1,170,042	5.9%	159,341	1	13,384	15	1,802,662	\$30.43
2015 2q	581	19,792,659	1,305,999	6.6%	674,119	6	790,300	15	1,801,582	\$29.72
2015 1q	572	18,985,809	1,173,268	6.2%	2,312,535	19	2,309,109	21	2,396,697	\$28.14
2014 4q	553	16,676,700	1,176,694	7.1%	1,725,943	13	1,902,179	35	4,288,436	\$28.83

Source: CoStar Property®

Houston Office Market

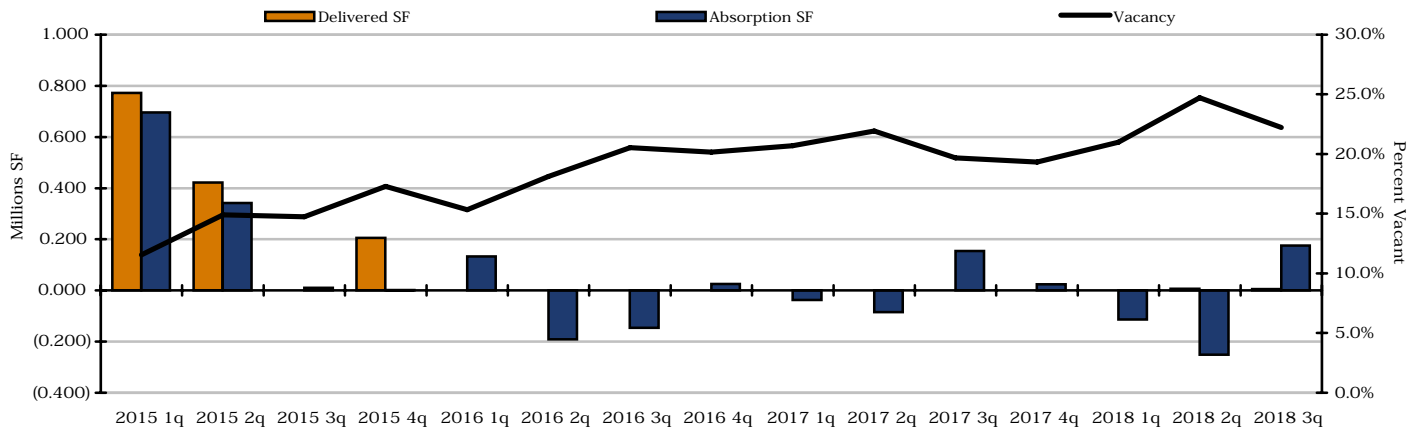


West Belt Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

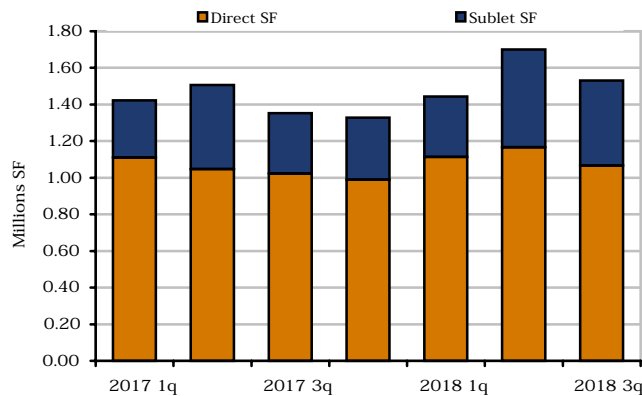
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

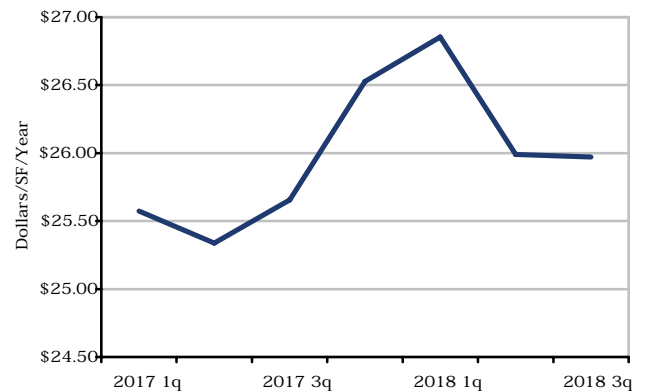
Historical Analysis, All Classes



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 3q	108	6,885,864	1,530,084	22.2%	175,481	1	5,500	1	6,000	\$25.97
2018 2q	107	6,880,364	1,700,065	24.7%	(251,381)	1	6,000	2	11,500	\$25.99
2018 1q	106	6,874,364	1,442,684	21.0%	(113,923)	0	0	3	17,500	\$26.85
2017 4q	106	6,874,364	1,328,761	19.3%	23,808	0	0	3	17,500	\$26.53
2017 3q	106	6,874,364	1,352,569	19.7%	154,337	0	0	1	5,500	\$25.66
2017 2q	106	6,874,364	1,506,906	21.9%	(84,300)	0	0	1	5,500	\$25.34
2017 1q	106	6,874,364	1,422,606	20.7%	(37,046)	0	0	0	0	\$25.57
2016 4q	106	6,874,364	1,385,560	20.2%	25,613	0	0	0	0	\$25.21
2016 3q	106	6,874,364	1,411,173	20.5%	(145,723)	0	0	0	0	\$24.34
2016 2q	105	6,850,364	1,241,450	18.1%	(190,643)	0	0	1	24,000	\$25.60
2016 1q	105	6,850,364	1,050,807	15.3%	132,857	0	0	1	24,000	\$27.11
2015 4q	105	6,850,364	1,183,664	17.3%	1,933	1	205,167	1	24,000	\$27.52
2015 3q	104	6,645,197	980,430	14.8%	10,152	0	0	1	205,167	\$27.40
2015 2q	104	6,645,197	990,582	14.9%	341,525	2	422,053	1	205,167	\$27.39
2015 1q	101	6,006,644	693,554	11.5%	696,105	2	771,960	4	843,720	\$27.90
2014 4q	99	5,234,684	617,699	11.8%	(17,216)	0	0	6	1,615,680	\$27.51

Source: CoStar Property®



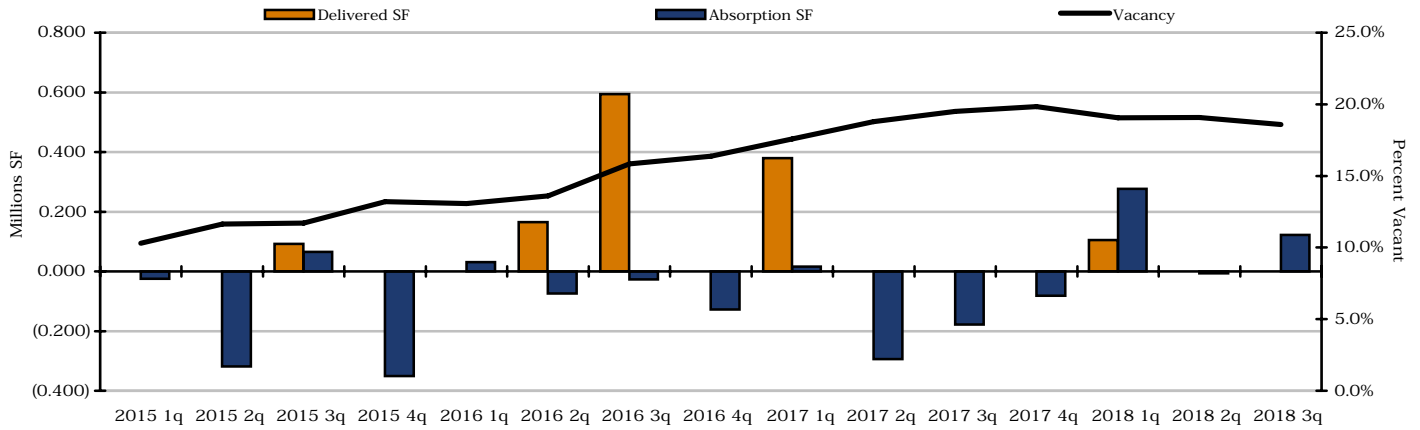
Houston Office Market

West Loop Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

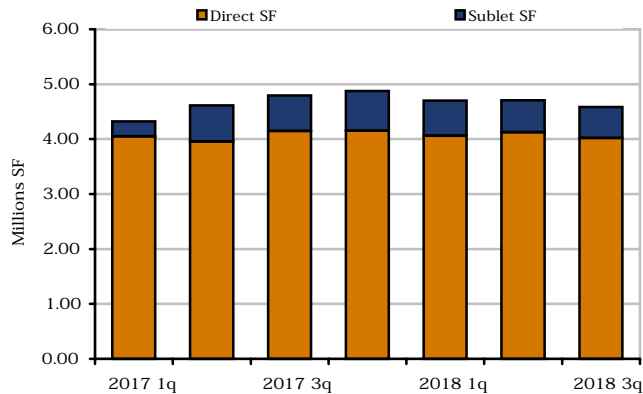
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

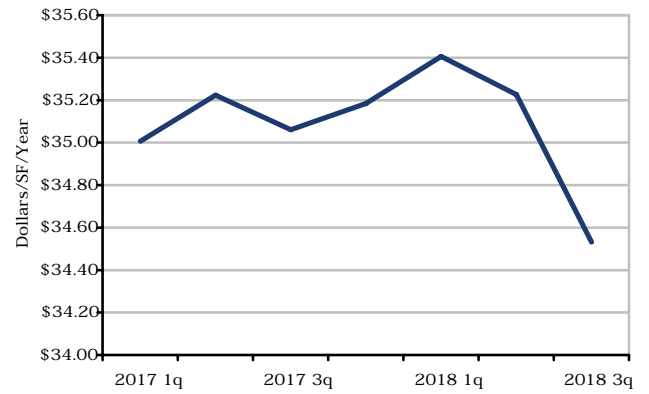
Historical Analysis, All Classes



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 3q	133	24,666,812	4,586,668	18.6%	121,791	0	0	0	0	\$34.53
2018 2q	133	24,666,812	4,708,459	19.1%	(6,383)	0	0	0	0	\$35.23
2018 1q	133	24,666,812	4,702,076	19.1%	276,803	1	104,579	0	0	\$35.41
2017 4q	132	24,562,233	4,874,300	19.8%	(81,009)	0	0	1	104,579	\$35.18
2017 3q	132	24,562,233	4,793,291	19.5%	(177,960)	0	0	1	104,579	\$35.06
2017 2q	132	24,562,233	4,615,331	18.8%	(294,000)	0	0	1	104,579	\$35.22
2017 1q	132	24,562,233	4,321,331	17.6%	16,532	1	380,000	1	104,579	\$35.01
2016 4q	131	24,182,233	3,957,863	16.4%	(127,755)	0	0	2	484,579	\$34.76
2016 3q	131	24,182,233	3,830,108	15.8%	(27,261)	1	593,850	2	484,579	\$35.14
2016 2q	130	23,588,383	3,208,997	13.6%	(74,160)	1	164,939	3	1,078,429	\$35.22
2016 1q	131	23,530,541	3,076,995	13.1%	30,810	0	0	4	1,243,368	\$35.04
2015 4q	131	23,530,541	3,107,805	13.2%	(350,822)	0	0	4	1,243,368	\$33.75
2015 3q	131	23,530,541	2,756,983	11.7%	65,742	1	92,021	3	1,138,789	\$33.90
2015 2q	130	23,438,520	2,730,704	11.7%	(318,795)	0	0	4	1,230,810	\$33.86
2015 1q	130	23,438,520	2,411,909	10.3%	(24,511)	0	0	4	1,230,810	\$33.35
2014 4q	130	23,438,520	2,387,398	10.2%	107,537	1	4,400	3	850,810	\$33.07

Source: CoStar Property®

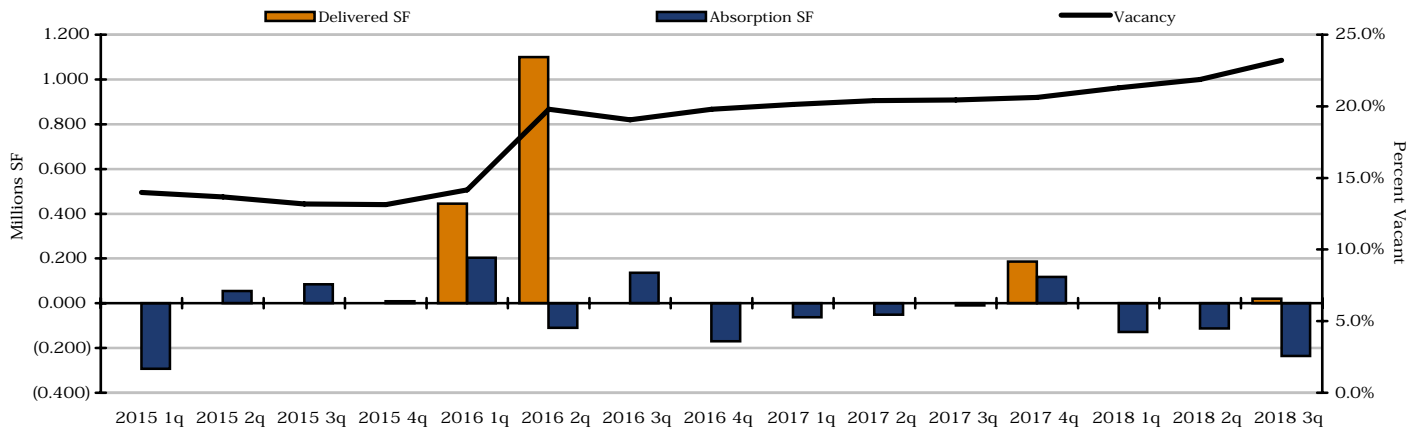
Houston Office Market



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

Deliveries, Absorption & Vacancy

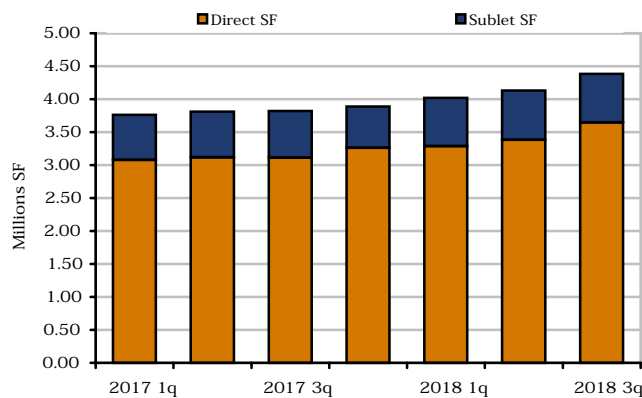
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

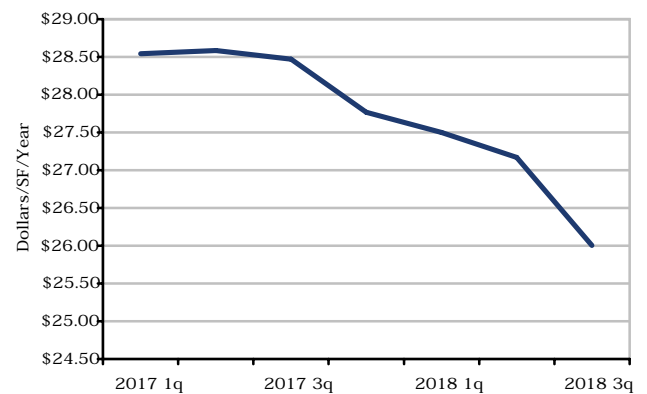
Historical Analysis, All Classes



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 3q	137	18,893,245	4,385,686	23.2%	(235,050)	1	21,000	0	0	\$26.00
2018 2q	136	18,872,245	4,129,636	21.9%	(112,040)	0	0	1	21,000	\$27.17
2018 1q	136	18,872,245	4,017,596	21.3%	(127,818)	0	0	1	21,000	\$27.50
2017 4q	136	18,872,245	3,889,778	20.6%	117,624	1	186,000	0	0	\$27.77
2017 3q	135	18,686,245	3,821,402	20.5%	(9,770)	0	0	1	186,000	\$28.47
2017 2q	135	18,686,245	3,811,632	20.4%	(51,510)	0	0	1	186,000	\$28.59
2017 1q	135	18,686,245	3,760,122	20.1%	(63,182)	0	0	1	186,000	\$28.54
2016 4q	135	18,686,245	3,696,940	19.8%	(170,255)	0	0	1	186,000	\$28.47
2016 3q	136	18,729,245	3,569,685	19.1%	136,623	0	0	1	186,000	\$29.07
2016 2q	136	18,729,245	3,706,308	19.8%	(109,827)	1	1,100,000	1	186,000	\$30.75
2016 1q	135	17,629,245	2,496,481	14.2%	204,107	1	445,000	2	1,286,000	\$31.49
2015 4q	134	17,184,245	2,255,588	13.1%	8,470	0	0	2	1,545,000	\$30.75
2015 3q	134	17,184,245	2,264,058	13.2%	85,195	0	0	2	1,545,000	\$30.51
2015 2q	134	17,184,245	2,349,253	13.7%	54,330	0	0	2	1,545,000	\$30.84
2015 1q	134	17,184,245	2,403,583	14.0%	(293,136)	0	0	2	1,545,000	\$31.23
2014 4q	134	17,184,245	2,110,447	12.3%	137,839	0	0	2	1,545,000	\$30.38

Source: CoStar Property®