



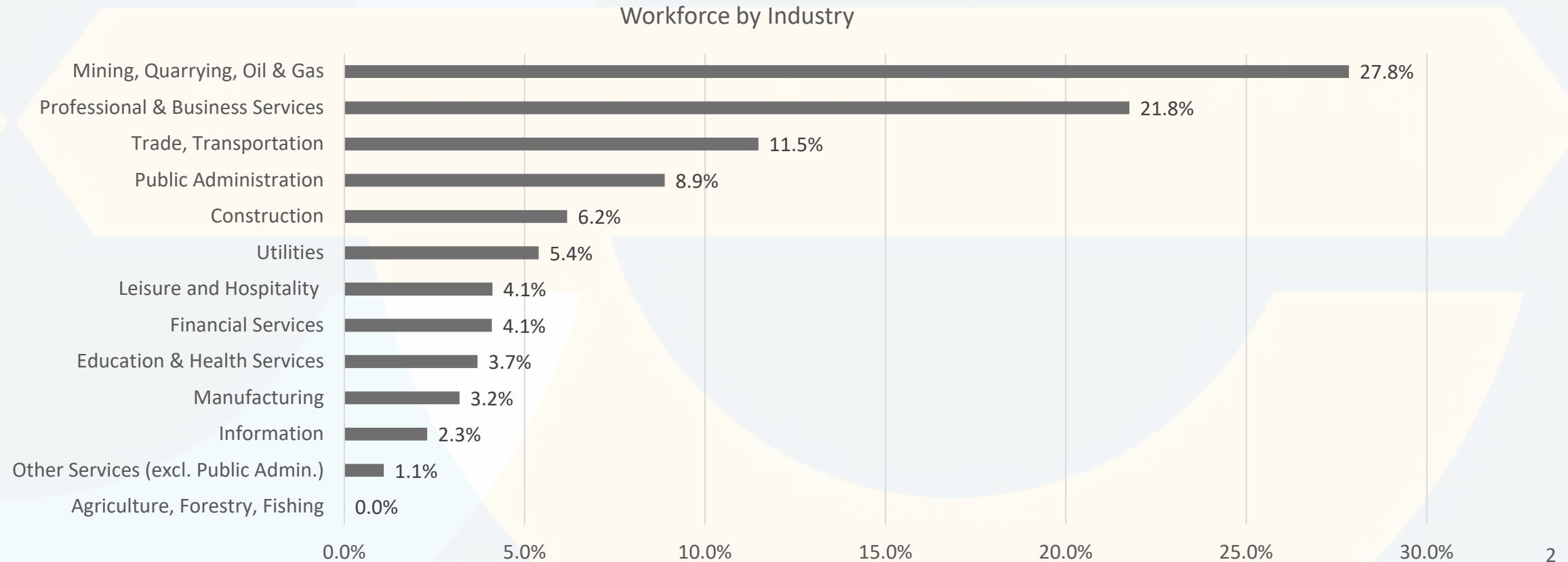
Central Houston, Inc.

Downtown Economic Recovery Monitoring Update / December 2020

Office Market by the numbers

Downtown Workforce

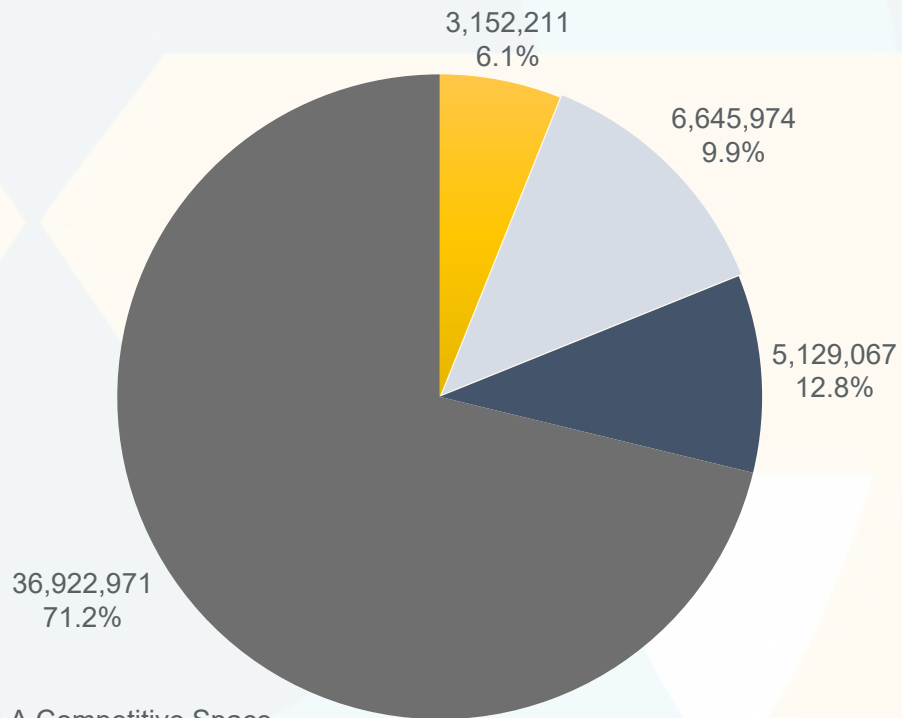
- Total Pre-COVID-19 employment: **168,618 full-time workers** in 4,382 businesses



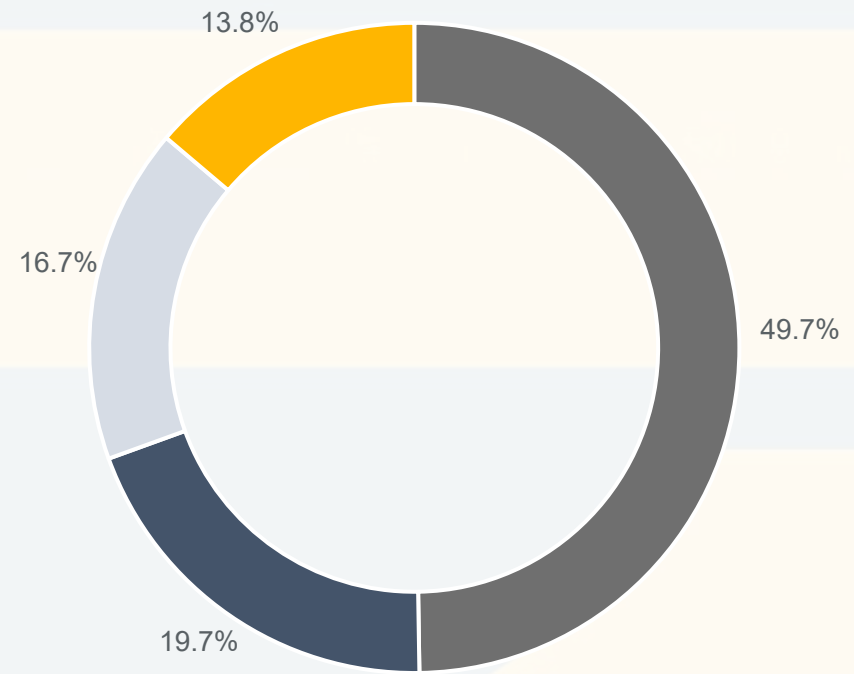
Office Market by the numbers

Office Space

- Pre-COVID-19 office market distribution by space and industry



- Class A Competitive Space
- Class A Owner Occupied Space
- Class B & Historic Class Competitive Space
- Government



- Other
- FIRE
- Legal
- Energy

Office Market by the numbers

Year-to-date Office Market Statistics (December)

- Leasing Activity
 - 2.18 million SF (108 signed leases)
 - 2021 scheduled lease expirations total 1.93 million SF (91 leases)
 - Newly announced signed leases include 320,788 SF lease renewal/extension by TC Pipelines, LP in TC Energy Center (700 Louisiana) and a new lease by JAMS ADR for 11,703 SF in 609 Main at Texas
- New Office Construction
 - Texas Tower, 1.1 million SF
 - Post, 150,000 SF
- Renovations
 - 8.6 million SF of office renovations will be completed in 2020 (10 buildings)
 - 4 office building renovations ongoing
 - 5 office building renovations planned

Office Market by the numbers

Workers back in the Office (December)

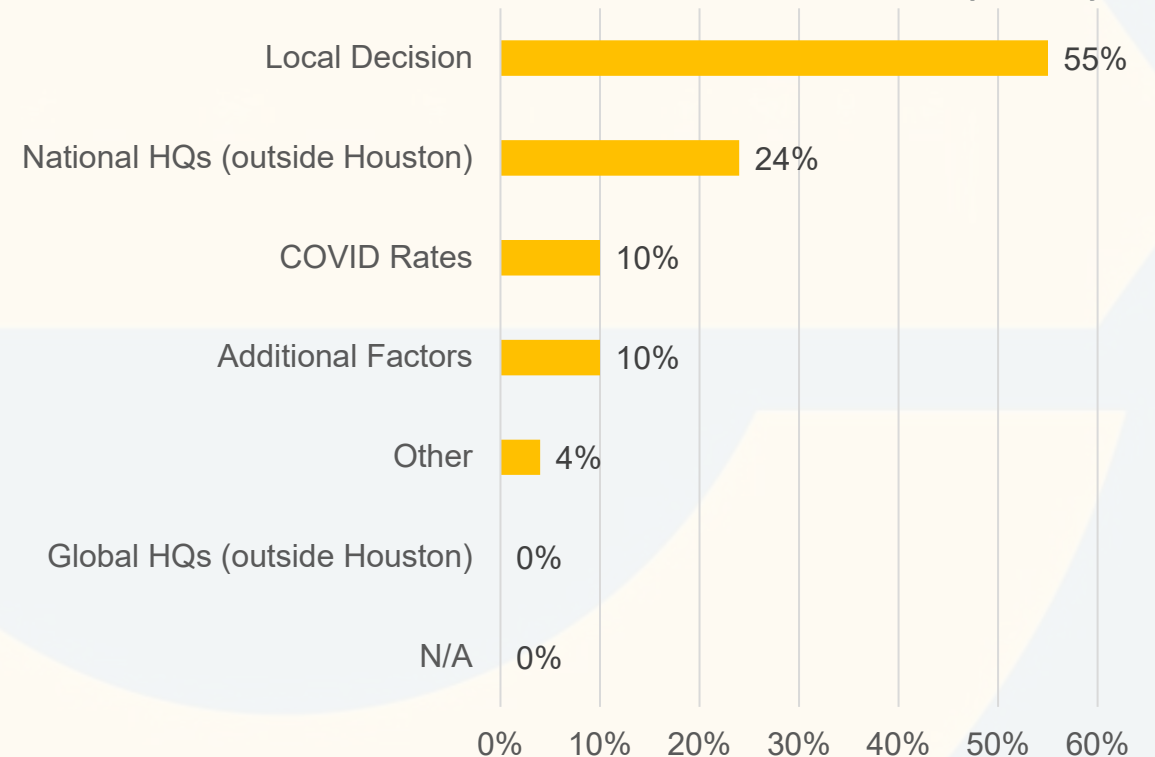
- Total Downtown office market: 51,463,478 (SF)
- Central Houston, Inc. office building survey: 25,946,807 (SF)
 - Survey % of total Downtown office SF: 50.4%
 - Estimated % of employees in-office: 16.10%
 - Estimated SF occupied by in-office employees: 4,178,324

Office Market by the numbers

Downtown workforce return survey key takeaway (December)

- Small and mid-sized employers are seeing quicker returns to the workplace with decisions being made more locally
- Larger employers are deferring workplace returns to the national or global companywide policy
- Other Factors Includes Workplace Environment, ie: Personal Protective Equipment (PPE), Workspace Design, Social Distancing, Contact Tracing, and Rapid Testing

How is your company determining when to return to the office and in what capacity?



Office Market by the numbers

Key Performance Indicators (Q4 2019 – December 2020)

- Office Inventory: 51,463,478 (SF)
- Office Under Construction: 1.3M (SF)
- Vacancy Rate: 21.2%
 - *Prior Period 20.8%*
- Market Rent Rate / SF: \$36.41
 - *Prior Period \$36.52*
- Market Sale Price / SF: \$317
 - *Prior Period \$318*

Residential by the numbers

Current Downtown Market

- Residential units total 6,279 in 41 properties and buildings
- Estimated 'core' population includes 10,251 residents within 5,994 households

Multifamily Occupancy Data (December)

- Current: 82.6%
 - Occupancy Last 3 Months: -3.4%
 - Last 6 Months: -5.5%
 - Last 12 Months: -7.4%
- Average Rent: \$1.91 PSF/MO

Comparative Urban Markets (December)

- Occupancy: 84.0%, Midtown; 84.3%, Upper Kirby; 89.1%, Uptown
- Rent: \$1.73 PSF/MO, Midtown; \$1.64 PSF/MO, Upper Kirby; \$1.35 PSF/MO, Uptown

Hospitality by the numbers

Current Downtown Market

- 8,228 hotel rooms in 27 properties.
- 11 hotels with AAA Four Diamond status (5,240 rooms)

During COVID-19 Pandemic (November)

- 14.1% Occupancy
 - 19.7% in October
- \$131.27 Average Daily Rate (ADR)
 - \$138.69 in October
- \$18.53 Revenue Per Available Room (RevPAR)
 - \$27.32 in October

Hospitality by the numbers

Historical Occupancy by Month

Occupancy (%)															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Nov YTD
2012	64.0	73.7	77.9	73.6	76.9	67.5	60.7	56.9	63.7	78.8	64.2	54.0		67.6	68.9
2013	66.2	77.1	77.7	79.8	74.7	70.1	66.6	67.9	67.6	80.6	65.7	54.0		70.6	72.2
2014	70.3	82.0	81.1	77.2	78.4	77.4	75.3	63.4	68.0	83.0	64.5	57.6		73.0	74.5
2015	65.2	80.3	82.3	73.0	73.9	68.5	77.0	57.8	65.0	78.7	66.0	57.0		70.2	71.5
2016	62.6	69.7	73.3	72.2	64.4	63.1	61.9	56.9	68.1	65.5	62.0	49.2		63.7	65.4
2017	59.7	71.9	73.8	69.3	68.2	65.9	53.4	51.4	76.2	78.5	65.5	51.2		65.3	66.7
2018	61.5	67.9	76.4	73.6	72.0	73.9	65.1	57.7	64.5	70.9	64.0	52.5		66.6	67.9
2019	57.7	68.2	74.3	72.3	69.7	66.9	72.1	59.7	61.6	72.8	57.3	49.3		65.0	66.5
2020	61.9	69.1	26.3	4.1	10.4	13.0	13.1	15.7	17.4	19.7	14.1				24.2
Avg	62.7	72.5	69.5	64.2	63.7	61.7	59.0	52.7	60.0	67.8	56.5	52.7		67.4	62.7

Hospitality by the numbers

Day of Week Analysis

Occupancy (%)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Dec - 19	41.7	50.1	54.5	49.1	40.6	49.3	60.1	49.3
Jan - 20	41.2	65.5	80.3	69.8	60.7	53.5	63.0	61.9
Feb - 20	43.9	71.2	83.3	85.6	67.3	63.6	68.6	69.1
Mar - 20	19.9	26.9	27.6	31.5	25.2	26.9	27.5	26.3
Apr - 20	3.8	4.0	4.3	4.0	4.3	3.9	4.5	4.1
May - 20	10.0	8.5	8.8	9.3	9.7	12.0	13.4	10.4
Jun - 20	11.9	10.6	10.4	10.5	11.4	16.9	20.3	13.0
Jul - 20	12.0	10.5	10.7	10.7	11.7	17.0	19.4	13.1
Aug - 20	13.7	12.2	11.1	14.4	13.8	20.0	24.0	15.7
Sep - 20	16.3	11.7	14.3	14.4	14.7	22.5	29.8	17.4
Oct - 20	16.5	12.3	12.8	13.4	17.2	27.2	33.8	19.7
Nov - 20	11.8	10.2	10.5	10.9	12.1	19.8	25.0	14.1
Total Year	20.4	24.6	27.7	27.1	24.3	28.0	33.0	26.4

Food & Beverage by the numbers

Food & Beverage Downtown Market (Dec. 31)

- 75% of street-level food & beverage establishments (excluding bars) are open
- 67% of Tunnel/Food Court establishments open mainly for breakfast & lunch
- December new planned restaurant announcements include the upscale steakhouse, The Palm, opening in Fourth Quarter 2021 at GreenStreet, 1201 Fannin and the Nash, at The Star, 1111 Rusk. The Nash is an American restaurant and bar offering a distinctively “downtown” menu appealing to area residents, office workers, as well as leisure and business travelers

Central Houston, Inc.

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Thank You! Questions?