



*Central Houston, Inc.*

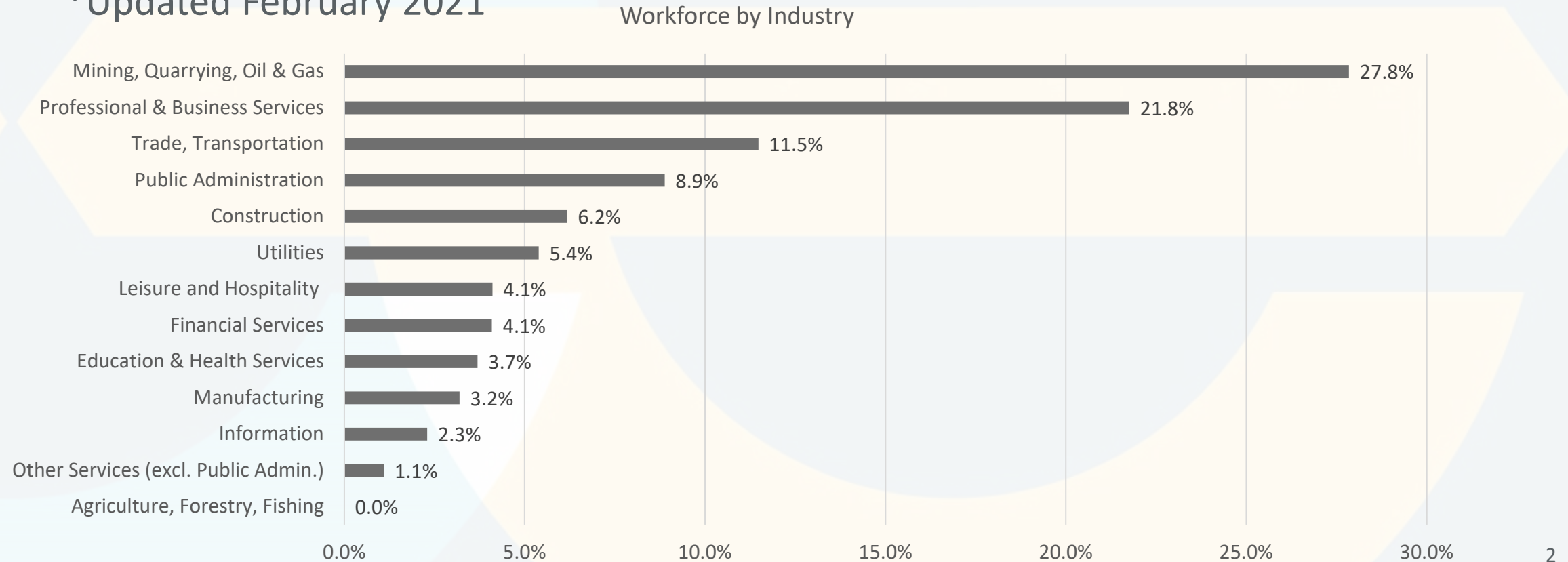
*Downtown Economic Recovery Monitoring Update / February 2021*

# Office Market by the numbers

## Downtown Workforce

- Total Pre-COVID-19 employment: **166,231 full-time workers** in 4,161 businesses\*:

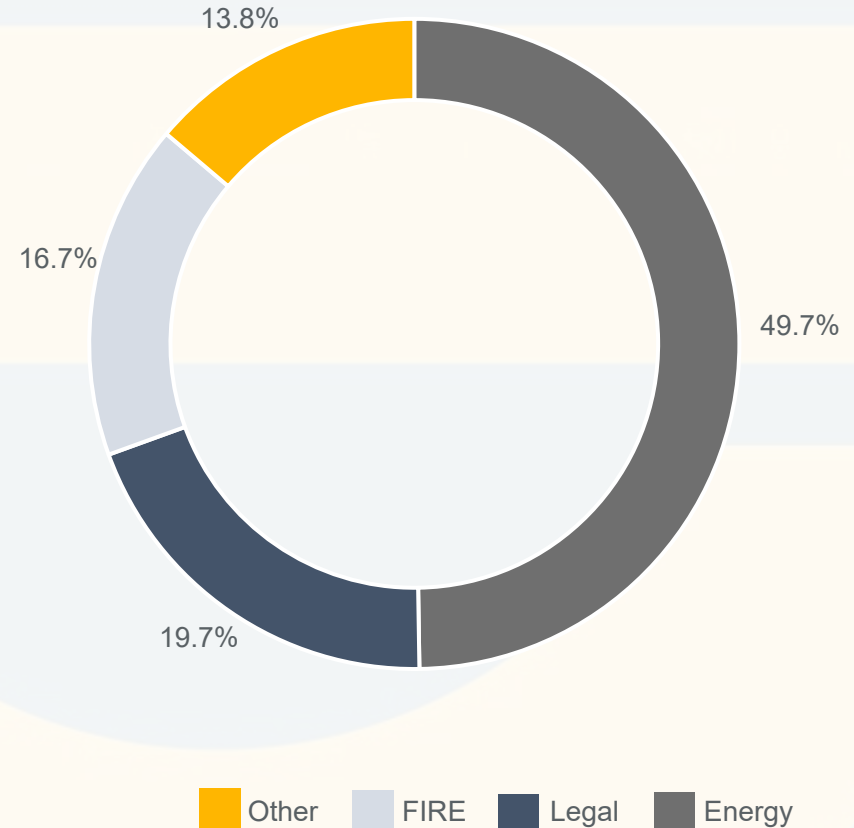
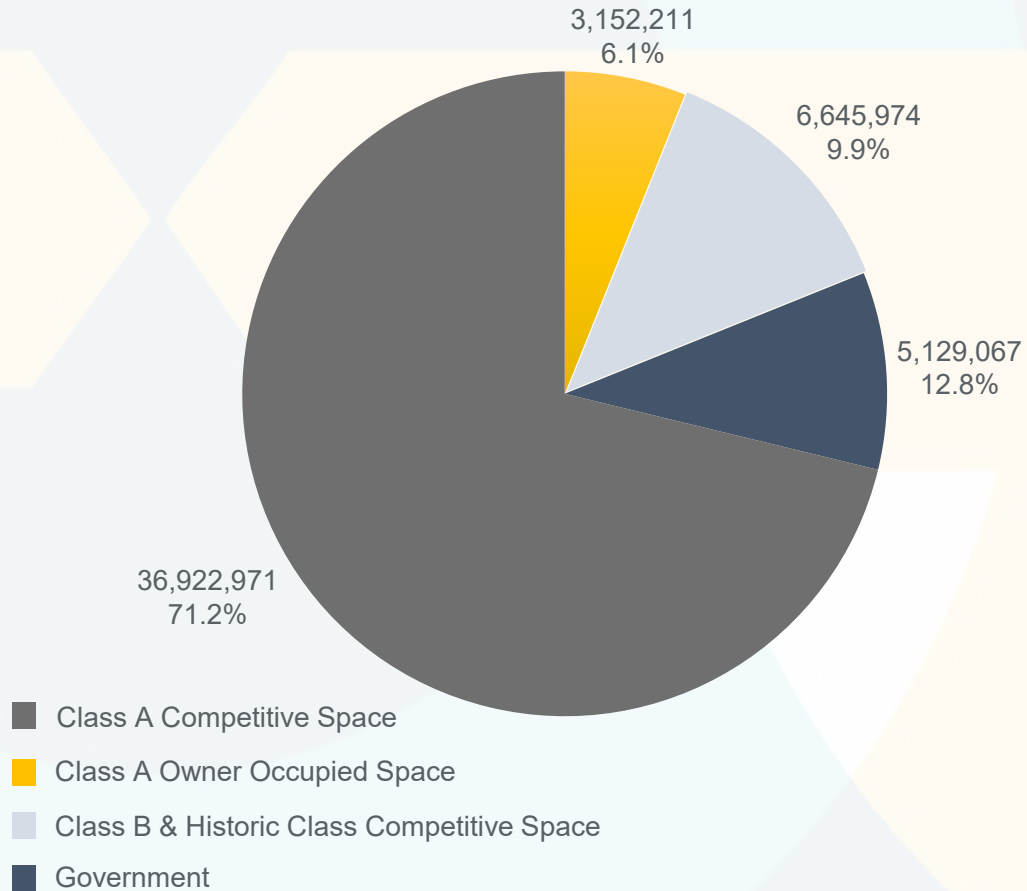
\*Updated February 2021



# Office Market by the numbers

## Office Space

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



## Favorable Environment for Construction (February 2021)

- New Office Construction
  - Skanska USA Commercial Development unveiled plans in January to construct 1550 on the Green, a 375,000 SF 28-story office tower and the first phase of a mixed-use district, Discovery West, adjacent to Discovery Green
  - Texas Tower, 1.1 million SF
  - Post, 150,000 SF
- Renovations
  - 8.6 million SF of office renovations 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 (Week of February 22)

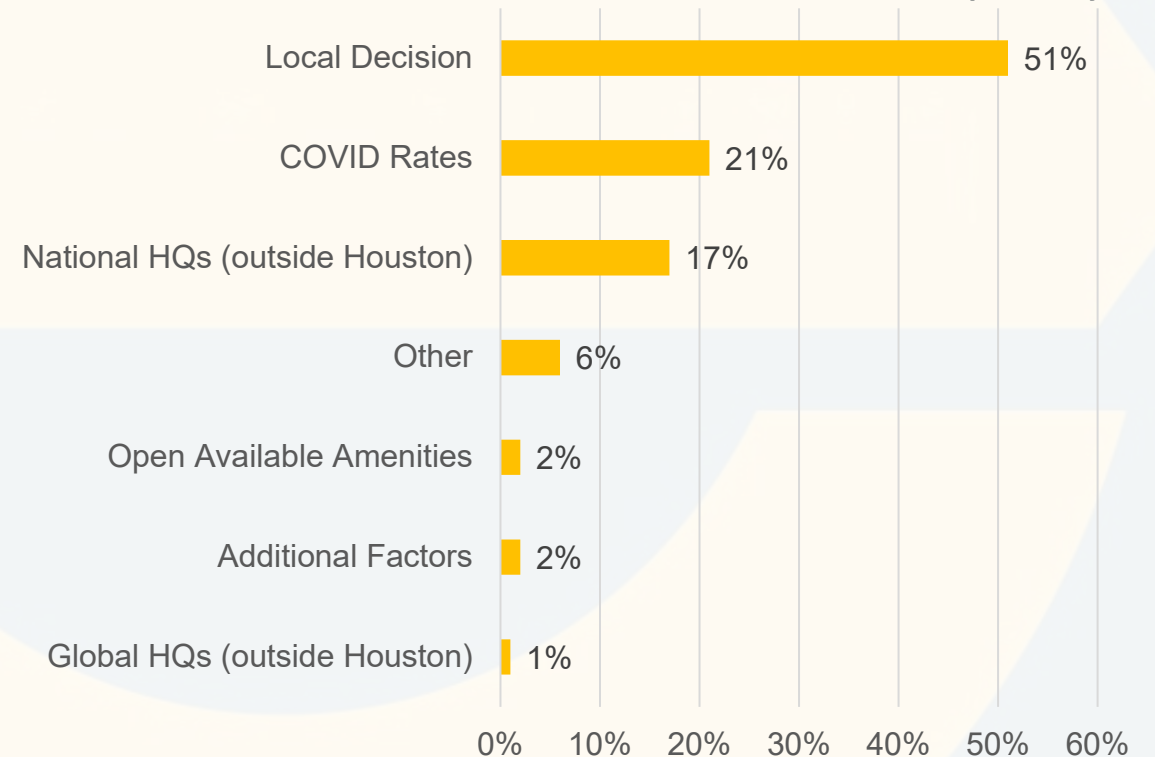
- Total Downtown office market: 51,463,478 (SF)
- Central Houston, Inc. office building survey: 25,946,807 (SF)
  - Survey % of total Downtown office SF: 50.4%
  - Estimated % of employees in-office: 16.3%
  - Estimated SF occupied by in-office employees: 4,349,894

# Office Market by the numbers

## Downtown workforce return survey key takeaway (February)

- 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
- Open Available Amenities Includes Dining, Fitness Centers and Hotels

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



# Office Market by the numbers

## Key Performance Indicators (February 2021)

- Office Inventory: 51,463,478 (SF)
- Office Under Construction: 1.3M (SF)
- Vacancy Rate: 21.7%
  - *Prior Period 21.4%*
- Market Rent Rate / SF: \$36.53
  - *Prior Period \$36.80*
- Market Sale Price / SF: \$310
  - *Prior Period \$302*

# Residential by the numbers

## Current Downtown Market

- Residential units total 6,279 in 41 properties and buildings
- Estimated 'core' population includes 9,974 residents within 5,832 households

## Multifamily Occupancy Data (February 2021)

- Current: 82.3%
  - Occupancy Last 3 Months: -4.1%
  - Last 6 Months: -3.7%
  - Last 12 Months: -7.7%
- Average Rent: \$1.84 PSF/MO

## Comparative Urban Markets (February 2021)

- Occupancy: 85.0%, Midtown; 83.6%, Upper Kirby; 89.2%, Uptown
- Rent: \$1.71 PSF/MO, Midtown; \$1.67 PSF/MO, Upper Kirby; \$1.37 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 (January 2021)

- 14.8% Occupancy
  - 14.9% in December
- \$135.52 Average Daily Rate (ADR)
  - \$132.68 in December
- \$20.05 Revenue Per Available Room (RevPAR)
  - \$19.72 in December

# Hospitality by the numbers

## Historical Occupancy by Month

Occupancy (%)															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Dec YTD
<b>2012</b>	63.8	73.6	77.7	73.2	76.6	67.5	60.6	56.6	63.5	78.9	64.2	53.4		67.4	67.4
<b>2013</b>	66.1	76.8	77.7	79.6	74.7	70.4	66.7	68.2	68.2	81.1	65.6	53.4		70.6	70.6
<b>2014</b>	70.0	81.8	80.7	76.8	78.2	77.2	75.0	62.9	67.7	82.7	64.3	57.0		72.7	72.7
<b>2015</b>	64.9	80.0	82.0	72.8	73.6	68.3	76.8	57.3	64.6	78.7	66.0	56.3		69.9	69.9
<b>2016</b>	62.1	69.2	73.0	71.7	63.9	62.7	61.4	56.2	67.7	65.3	61.8	48.9		63.3	63.3
<b>2017</b>	59.5	71.7	73.6	69.1	68.0	66.0	53.5	51.5	76.3	78.6	65.6	51.4		65.3	65.3
<b>2018</b>	61.6	68.0	76.5	73.4	72.0	73.9	65.1	57.7	64.3	70.9	64.2	52.5		66.6	66.6
<b>2019</b>	57.5	68.2	74.3	72.3	69.5	66.8	72.4	59.7	61.6	73.1	57.4	49.3		65.1	65.1
<b>2020</b>	62.0	69.2	26.5	4.2	10.6	13.3	13.4	15.9	17.7	20.1	14.3	14.9		23.6	23.6
<b>2021</b>	14.8														14.8
<b>Avg</b>	48.8	68.7	58.9	49.9	50.9	51.7	50.3	44.6	47.9	60.6	50.2	41.7		51.6	48.8

# Hospitality by the numbers

## Day of Week Analysis

### Occupancy (%)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Jan - 20	41.2	65.7	80.2	69.8	60.7	53.5	63.2	62.0
Feb - 20	44.1	71.3	83.2	85.6	67.5	64.0	68.9	69.2
Mar - 20	20.1	27.0	27.7	31.7	25.4	27.0	27.6	26.5
Apr - 20	3.9	4.1	4.4	4.1	4.4	4.0	4.6	4.2
May - 20	10.2	8.7	9.0	9.6	10.0	12.3	13.7	10.6
Jun - 20	12.3	10.9	10.7	10.8	11.7	17.3	20.8	13.3
Jul - 20	12.2	10.8	10.9	10.9	11.9	17.3	19.8	13.4
Aug - 20	14.0	12.4	11.4	14.7	13.7	20.0	24.5	15.9
Sep - 20	16.7	11.8	14.5	14.5	15.0	22.9	30.3	17.7
Oct - 20	16.9	12.5	13.0	13.6	17.5	27.8	34.5	20.1
Nov - 20	12.0	10.3	10.7	11.1	12.4	20.2	25.4	14.3
Dec - 20	11.7	9.8	10.4	11.0	16.8	19.6	26.3	14.9
Jan - 21	11.5	9.1	10.0	9.7	11.0	21.3	27.1	14.8
<b>Total Year</b>	<b>15.0</b>	<b>16.4</b>	<b>17.8</b>	<b>18.2</b>	<b>17.6</b>	<b>22.2</b>	<b>27.0</b>	<b>19.2</b>

# Food & Beverage by the numbers

## Food & Beverage Downtown Market (February 2021)

- 84% of street-level food & beverage establishments (excluding bars) are open
- 70% of Tunnel/Food Court establishments open mainly for breakfast & lunch
- Pur Noire Winery, focused on accessibly priced bottles of custom-blended wine and wine education announced in February that it plans to open by early summer at 802 Milam
- Houston-based Lovett Commercial, the developer of Downtown's extensive 16-acre mixed-use development site, Post Houston at 401 Franklin, revealed the first vendors that will populate its 53,000 square foot Post Market food hall. These include: Salt & Time Butcher Shop; The Butcher's Burger; Lea Jane's Hot Chicken; Taco Fuego; GELU Italian Ice; and SOUPreme

# *Central Houston, Inc.*

For More Information:

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*Thank You! Questions?*