Central Houston, Inc.

Downtown Economic Recovery Monitoring Update / October 2022
Downtown Recovery Score Card

% Recovered

- In-Office Workforce Occupancy (September): 55.7%
- Residential Occupancy (September): 105.8%
- Hotel Occupancy (August)*: 90.3%
- Buffalo Bayou Visitors (September): 98.1%
- Astros Avg. Home Attendance (2022)*: 104.9%

*The 100% is based on a 5-year equivalent month pre-pandemic average (2015 - 2019)
Key takeaways:

- **68.3%** of Downtown employees have come to the office at least once in the month of September.
- Downtown monthly in-office occupancy is **55.7%** of pre-pandemic levels.

*The 100% in-office workforce occupancy is based on a four-month pre-pandemic average (Nov 2019-Feb 2020).*
In-Office Workforce Frequency (Per Month)

Key takeaway:
- "Hybrid" return-to-office continues to be the trend in the month of September with Tuesday, Wednesday, and Thursday being the predominant choice of Downtown employees.

*The 100% in-office workforce frequency is based on a four-month pre-pandemic average (Nov 2019-Feb 2020).
Downtown Office Market by the Numbers

Performance Indicators

- **Estimated Asset Value**: $14.9B
- **Inventory SF**: 53.3M (+2.4%) (Texas Tower)
- **Under Construction**: 386,323 SF (1550 on the Green)
- **Office Vacancy**: 24.5%, down .9% from Q2
- **Total Available SF**: 15,196,814, up 548,061 (Q2)
- **Gross Rent**: $40.94/SF, down $.80/SF (Q2)
- **YTD Leasing Activity**: 2,024,653 SF (149 Deals: 138 Direct)
  - Total 2021: 2,000,689 (204 Deals)
  - Total 2020: 2,563,803 (136 Deals)

Updated September 2022 Source: Central Houston, Inc., CoStar
Office Market - Downtown Inventory Comparison

Office Space Inventories Across Various Downtowns, September 2022

Updated September 2022 Source: Central Houston, Inc., CoStar
Office Market - Downtown Vacancy Rate Comparison

Vacancy Rate in Various Downtowns, September 2022

Updated September 2022 Source: Central Houston, Inc., CoStar
Residential Market - Downtown Performance

Total Multifamily Unit Count & Average Occupancy

- Unit count includes owner occupied
- Occupancy only reflects competitive leasing market

Updated September 2022 Source: Central Houston, Inc., Apartment Data Services, Costar
Residential by the numbers

Downtown Market

- Residential (leased & owned) units total 6,356 in 41 properties and buildings
- Estimated ‘core’ population includes 10,349 residents
- 1,188 units under construction in 5 properties and buildings

Performance Indicators

- Asking Rent: $2.40/SF
- 12 Month Absorption Unit: 310 (+99.8%)
- Monthly Market Rent Per Unit: $2,348 (+0.4%)
- Concessions %: 1.3%

Updated September 2022 Source: Central Houston, Inc., Apartment Data Services, Costar
Residential Market - Comparative Urban Markets

Residential Units Across Houston Markets, Q3

<table>
<thead>
<tr>
<th>Market</th>
<th>Residential Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown</td>
<td>6,356</td>
</tr>
<tr>
<td>Galleria / Uptown</td>
<td>8,712</td>
</tr>
<tr>
<td>Midtown</td>
<td>6,549</td>
</tr>
<tr>
<td>Montrose</td>
<td>11,083</td>
</tr>
<tr>
<td>River Oaks</td>
<td>7,273</td>
</tr>
<tr>
<td>The Museum District</td>
<td>2,312</td>
</tr>
<tr>
<td>Washington Ave</td>
<td>4,183</td>
</tr>
</tbody>
</table>

Updated September 2022 Source: Central Houston, Inc., Apartment Data Services, Costar
Residential Market - Comparative Urban Markets

Average Occupancy Across Houston Markets, Q3

- Downtown: 83.3%
- Galleria / Uptown: 91.8%
- Midtown: 92.8%
- Montrose: 91.5%
- River Oaks: 89.6%
- The Museum District: 89.2%
- Washington Avenue: 90.5%

Updated September 2022 Source: Central Houston, Inc., Apartment Data Services, Costar
Residential Market - Downtown Performance Comparison

Residential Unit Count Across Various DOWNTOWNS, September 2022

- Houston: 6,356
- Austin: 6,671
- Dallas: 9,707
- San Antonio: 7,008
- Atlanta: 6,735
- Denver: 4,881
- Indianapolis: 8,962
- Miami: 7,383
- Orlando: 7,809
- Phoenix, SF (Financial District): 8,769
- Charlotte: 8,663
- Los Angeles: 42,779
- Chicago Central...: 1,974

Updated September 2022 Source: Central Houston, Inc., Apartment Data Services, Costar
Residential Market - Downtown Performance Comparison

Residential Occupancy Across Various Downtowns, September 2022

- Houston: 83.3%
- Austin: 87.5%
- Dallas: 89.9%
- San Antonio: 88.5%
- Atlanta: 93.7%
- Denver: 93.8%
- Indianapolis: 91.2%
- Miami: 95.5%
- Orlando: 92.3%
- Phoenix: 80.6%
- SF (Financial District): 93.9%
- Charlotte: 94.3%
- Los Angeles: 93.2%
- Chicago (Central Loop): 95.0%

Updated September 2022 Source: Central Houston, Inc., Apartment Data Services, Costar
Hotel Market - Downtown Performance

Room Count & Average Occupancy

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Rooms</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 (Aug)</td>
<td>8,492</td>
<td>59.5%</td>
</tr>
<tr>
<td>20 (Aug)</td>
<td>8,451</td>
<td>16.2%</td>
</tr>
<tr>
<td>21 (Aug)</td>
<td>8,451</td>
<td>44.6%</td>
</tr>
<tr>
<td>Jun-22</td>
<td>8,451</td>
<td>51.7%</td>
</tr>
<tr>
<td>Jul-22</td>
<td>8,451</td>
<td>54.8%</td>
</tr>
<tr>
<td>Aug-22</td>
<td>8,451</td>
<td>50.6%</td>
</tr>
</tbody>
</table>

Updated September 2022
Source: Central Houston, Inc., CoStar, STR Research
Hotel Market - Downtown Performance

Average Occupancy

Updated September 2022 Source: Central Houston, Inc., CoStar, STR Research
Hotel Market - Downtown Performance

Average Revenue Per Available Room (RevPAR)

Updated September 2022
Source: Central Houston, Inc., CoStar, STR Research
Hospitality by the Numbers

Downtown Market

- 8,451 hotel rooms in 28 properties

Performance Indicators (Aug ’22)

- Average Daily Rate (ADR): $177.81
  - up $8.16 (Aug ’21)
- Revenue Per Available Room (RevPAR): $90.04
  - up $15.40 (Aug ’21)
- Monthly Revenue: $23,587,485
  - up $4,293,937 (Aug ’21)

Updated September 2022 Source: Central Houston, Inc., CoStar, STR Research
# Hospitality Market - Downtown Performance Comparison

## Total Units Across Various Downtowns, August 2022

<table>
<thead>
<tr>
<th>City</th>
<th>Hospitality Unit Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>8,451</td>
</tr>
<tr>
<td>Austin</td>
<td>10,642</td>
</tr>
<tr>
<td>Dallas</td>
<td>9,059</td>
</tr>
<tr>
<td>San Antonio</td>
<td>13,192</td>
</tr>
<tr>
<td>Atlanta</td>
<td>12,083</td>
</tr>
<tr>
<td>Denver</td>
<td>10,057</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>7,915</td>
</tr>
<tr>
<td>Miami</td>
<td>3,855</td>
</tr>
<tr>
<td>Orlando</td>
<td>2,184</td>
</tr>
<tr>
<td>Phoenix</td>
<td>4,567</td>
</tr>
<tr>
<td>SF (Financial District)</td>
<td>4,795</td>
</tr>
<tr>
<td>Charlotte</td>
<td>6,405</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>10,720</td>
</tr>
<tr>
<td>Chicago (Central Loop)</td>
<td>4,305</td>
</tr>
</tbody>
</table>

*Updated September 2022 Source: Central Houston, Inc., STR Research, Costar*
Hospitality Market - Downtown Performance Comparison

Hotel Occupancy Across Various Downtowns, August 2022

- Houston: 50.6%
- Austin: 65.3%
- Dallas: 56.5%
- San Antonio: 60.5%
- Atlanta: 60.0%
- Denver: 75.9%
- Indianapolis: 64.8%
- Miami: 60.9%
- Orlando: 68.9%
- Phoenix (Financial District): 57.9%
- Charlotte: 63.8%
- Los Angeles: 66.8%
- Chicago (Central Loop): 70.9%

Updated September 2022 Source: Central Houston, Inc., STR Research, Costar
Downtown Game Attendance

- **Minute Maid Park**
  - 13 Astros Home Games in September
    - Total September Attendance: 427,833 (32,910 Average Per Game)
    - Total Season-To-Date Attendance: 2,336,867

- **PNC Stadium**
  - 2 Dynamo, 2 Dash Home Games in September
    - Total August Attendance: 31,401 (10,467 Average Per Game)
    - Total Season-To-Date Attendance: 298,976

Source: Central Houston, Inc., September 2022
Downtown Conventions

- **George R. Brown Convention Center**
  - 5 Events or Conferences Scheduled for October
    - Society of Petroleum Engineers – ATCE 2022
    - ADA’s – SmileCon 2022
    - SWE – 2022 Annual Conference
    - The IMAGE Expo 2022
    - 2022 International Quilt Market

Source: Central Houston, Inc., September 2022
Visitors to Downtown

**Visits, Excluded Residents & Employees, In Millions**

*The 100% visitors is based on a four-month pre-pandemic average (Nov 2019-Feb 2020)*

Updated September 2022 Source: Central Houston, Inc., CoStar, Placer.ai
Food & Beverage Downtown Market (September ’22)

- September 12\textsuperscript{th}-18\textsuperscript{th} was Negroni Week; as part of the festivities, Rosalie on 400 Dallas St sold a wide variety of $12 specialty Negronis.

- Grill manufacturer Big Green Egg had a cookout on the pool deck of the Four Seasons Hotel on September 24\textsuperscript{th}. Tickets were $89 and featured grilling from Big Green Egg’s official pitmaster along with that of Four Seasons executive chef Paul Peddle.

- Real Agave opened on September 14\textsuperscript{th} in Enterprise Plaza. It served high-end tequilas and spirits and has a companion kitchen, El Real, that opened simultaneously in the Tunnels underneath Enterprise Plaza.

Source: Downtown District, September 2022
Central Houston, Inc.

For More Information:
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Thank You! Questions?