



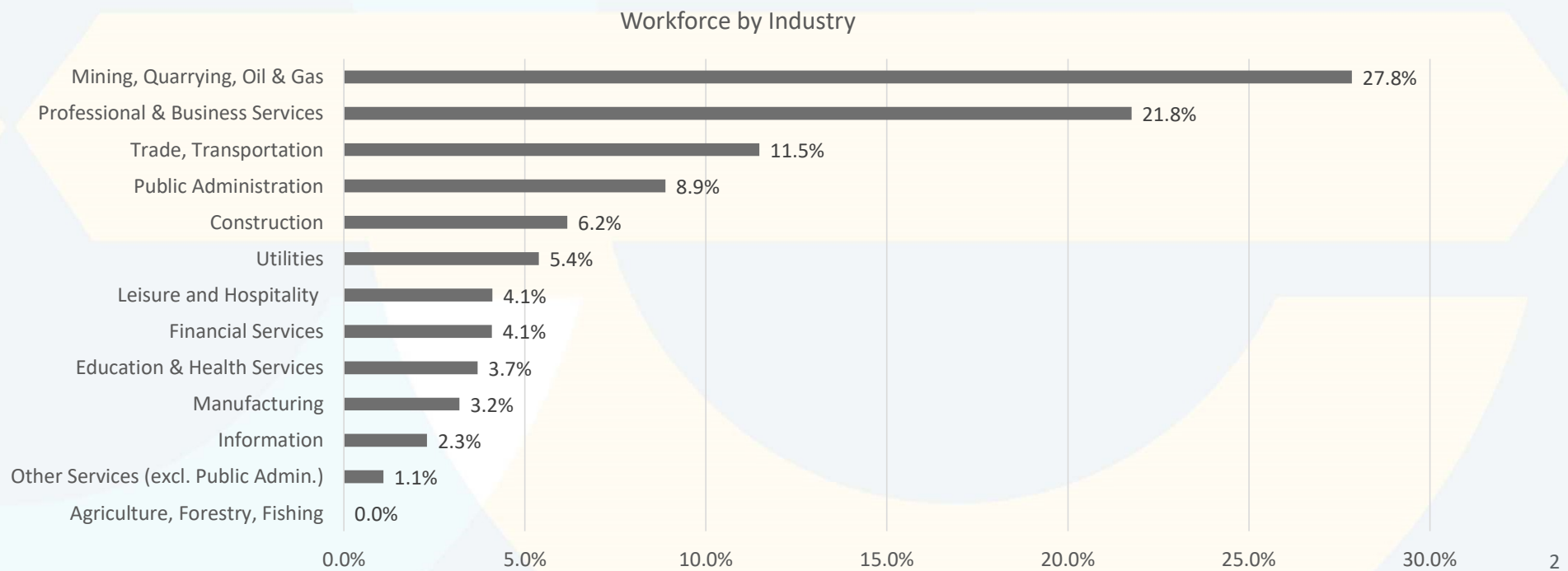
*Central Houston, Inc.*

*Downtown Economic Recovery Monitoring Update / January 2021*

# Office Market by the numbers

## Downtown Workforce

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

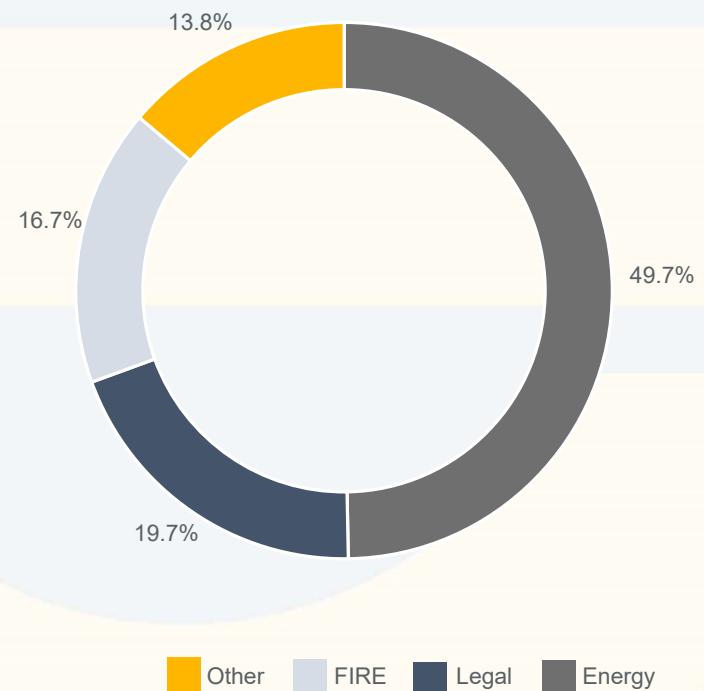
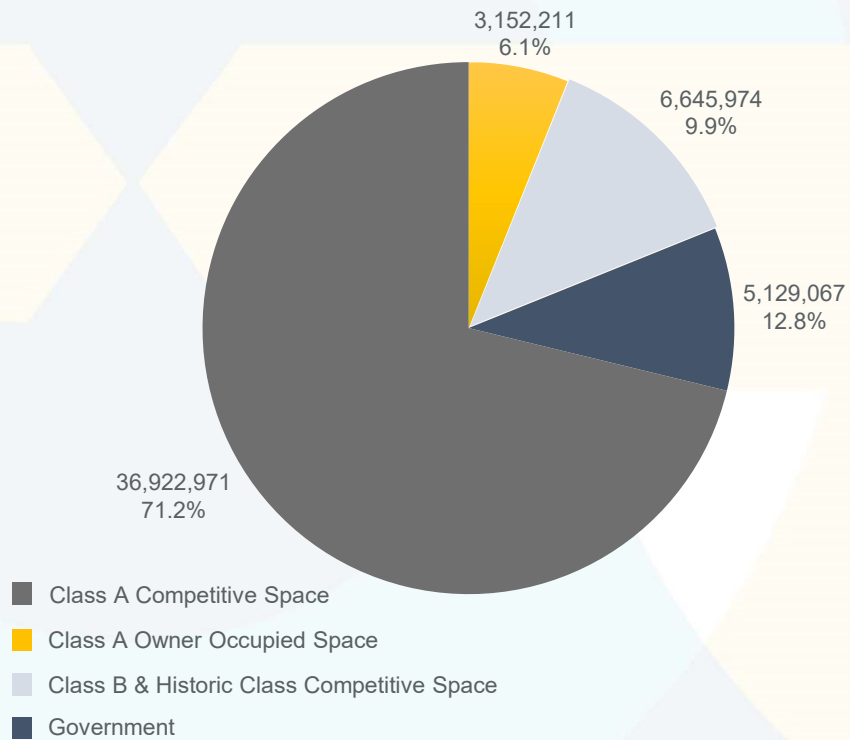


Source: U.S. Census, American Community Survey, 2020

# Office Market by the numbers

## Office Space

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



Source: Central Houston Office Story Survey, 2020

# Office Market by the numbers

## Favorable Environment for Construction (January 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 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 (Week of January 18)

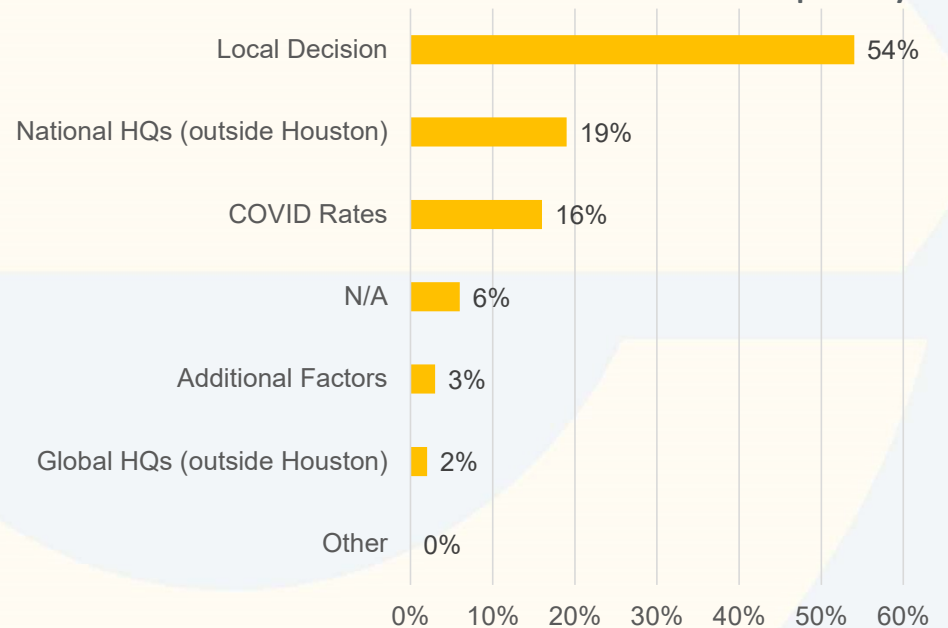
- Total Downtown office market: 51,463,478 (SF)
- Central Houston, Inc. office building survey: 25,946,807 (SF)
  - Survey % of total Downtown office SF: 50.4%
  - Estimated % of employees in-office: 16.13%
  - Estimated SF occupied by in-office employees: 4,185,688

# Office Market by the numbers

## Downtown workforce return survey key takeaway (January)

- 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 (January 2021)

- Office Inventory: 51,463,478 (SF)
- Office Under Construction: 1.3M (SF)
- Vacancy Rate: 21.4%
  - *Prior Period 21.2%*
- Market Rent Rate / SF: \$36.80
  - *Prior Period \$36.41*
- Market Sale Price / SF: \$302
  - *Prior Period \$317*

# 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 (January 2021)

- Current: 82.3%
  - Occupancy Last 3 Months: -6.5%
  - Last 6 Months: -4.7%
  - Last 12 Months: -7.8%
- Average Rent: \$1.84 PSF/MO

## Comparative Urban Markets (January 2021)

- Occupancy: 84.2%, Midtown; 81.2%, Upper Kirby; 89.2%, Uptown
- Rent: \$1.69 PSF/MO, Midtown; \$1.62 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 (December 2020)

- 14.9% Occupancy
  - 14.3% in November
- \$132.68 Average Daily Rate (ADR)
  - \$130.75 in November
- \$19.72 Revenue Per Available Room (RevPAR)
  - \$18.75 in November

# 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>Avg</b>	62.5	72.4	69.4	64.0	63.5	61.6	58.9	52.6	59.9	67.9	56.5	47.3		61.2	61.2

Source: STR, January 2021

# 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
<b>Total Year</b>	<b>17.8</b>	<b>21.0</b>	<b>23.5</b>	<b>24.0</b>	<b>22.5</b>	<b>25.9</b>	<b>30.7</b>	<b>23.6</b>

## Food & Beverage by the numbers

### Food & Beverage Downtown Market (January 2021)

- 84% of street-level food & beverage establishments (excluding bars) are open
- 70% of Tunnel/Food Court establishments open mainly for breakfast & lunch
- Georgia James Tavern, a casual-style of Chef Chris Shepherd's popular steakhouse, Georgia James, announced in January it will be opening in Market Square Tower, 777 Preston, this spring
- The Nash, an American restaurant and bar offering a distinctively "downtown" menu appealing to area residents, office workers, as well as leisure and business travelers at The Star, 1111 Rusk, opened in January



# *Central Houston, Inc.*

For More Information:

**Robert Pieroni, Economic Development Director**

[rpieroni@centralhouston.org](mailto:rpieroni@centralhouston.org)

Central Houston, Inc.

909 Fannin, Suite 1650 | Houston, TX 77010

Office: 713-650-1470



*Thank You! Questions?*