



TRANSWESTERN

# HOUSTON HEALTHCARE/ MEDICAL OFFICE MARKET

Q1 2023

## TRENDLINES

	Q1 2023	Q1 2022	ONE-YEAR TRAILING	FIVE-YEAR AVERAGE	12-MONTH FORECAST
UNEMPLOYMENT RATE (%)	4.4	5.2	↓	5.6	↑
NET ABSORPTION (Thousands SF)	160.2	207.5	↓	113.8	↔
DIRECT VACANCY RATE	13.2%	13.4%	↓	12.5%	↔
TOTAL AVAILABILITY (MSF)	4.2	4.1	↑	3.8	↔
UNDER CONSTRUCTION (MSF)	1.7	0.8	↑	1.0	↑
ASKING RENT, FULL SERVICE (PSF)	\$29.42	\$29.47	↓	\$28.45	↑
SALES VOLUME (Millions)	\$15.2	\$47.7	↓	\$88.4	↓

Source: Bureau of Labor Statistics, CoStar, Real Capital Analytics, Revista, Transwestern

## NEW CONSTRUCTION DELIVERS AS ADDITIONAL PROJECTS ENTER PIPELINE

Healthcare occupiers signed for more space as the local sector capitalized on the solid performance at year-end by with overall net absorption of just over 160,000 square feet in the first quarter 2023. Houston's job and population push is also stoking new construction which is nearing 1.7 million square feet with the most active submarkets being in Houston's expanding suburban housing markets such as the 290 Corridor, Clear Lake and Sugar Land.

Strong consumer spending on healthcare is pointing towards a healthy forecast for the property sector. Nationwide, spending rose to \$4.5 trillion in 2022, topping out at 18 percent of U.S. gross domestic product and is expected to rise to \$6.8 trillion by 2030 while employment will rise 13 percent by 2031 compared to total U.S. employment increasing only 5.2 during the same period.

For the local outlook, population and job growth will fuel future medical office demand. Houston is the second fastest-growing major metro area in the U.S., seeing its largest population increase in the past six years, according to a recent census analysis. Likewise, Houston continues to outpace the nation on healthcare job creation where the local sector added new workers at an annual rate of 5.4 percent, nearly 2.0 percent higher than the U.S.

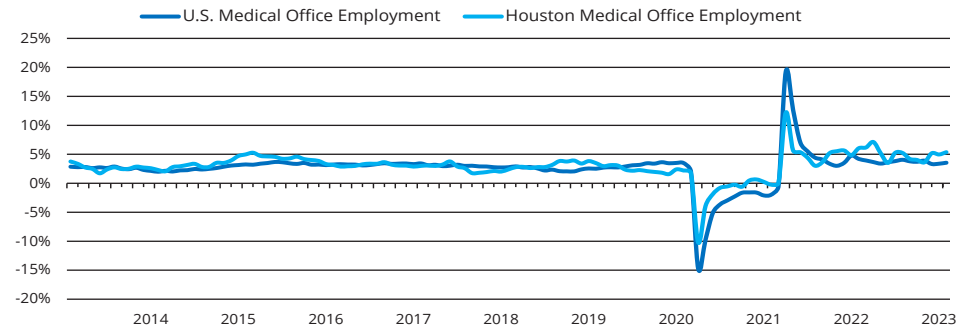


**ECONOMY**

**Jobs, Port Activity Beating Long-Term Records**

- Metro Houston created 19,900 jobs in March, according to the Texas Workforce Commission (TWC) despite layoffs making national headlines. The recent local job growth is in line with the twenty-year average of 20,600 jobs for the month, which suggests Houston’s economic growth is returning to normal after the record-setting pace of the past two years. Job gains were broad-based with only a handful of sectors reporting job losses. Sectors with the largest gains were retail, construction, Professional, scientific, and technical services and manufacturing, with gains in durables offsetting losses in non-durables. The combined job gains in February and March this year, a total of 46,900, have offset 93.1 percent of January’s losses of 50,400. As a result, Houston employment is expected to hit a new, all-time high when April data is released in mid-May.
- Early signs suggest falling mortgage rates are starting to pull some Houston homebuyers back into the local housing market. Single-family home sales remained off in January compared to last year’s level, the Houston Association of Realtors (HAR) reported in February. Metro home sales started slowing last March when they were white-hot in both average sales prices and transaction volume. According to the HAR, the current easing environment of mortgage rates are instead creating more of a return to seasonal home sales trends: slower volume during the holidays and new year. But as lending rates stabilize, the HAR expects an upswing in sales later this year.
- Houston consumer confidence is strong as buyers snatched up big-ticket items for cars, trucks and SUVs. Houston-area dealers sold 333,165 cars, trucks, and SUVs in the 12 months ending March, a 22.9 percent increase over the 271,017 sold over the comparable period in 2022. Car sales are up 19.4 percent, truck and SUV sales, 24.0 percent, according to TexAuto Facts, published by InfoNation, Inc. Likewise, Port Houston recorded its busiest year in 2022 as the global economy began recovering and West Coast port congestion attracted new shippers to the Gulf Coast. Almost 55.1 million tons moved through Port Houston, according to data released in January by port officials, a new record and an increase of 22 percent compared with 2021.

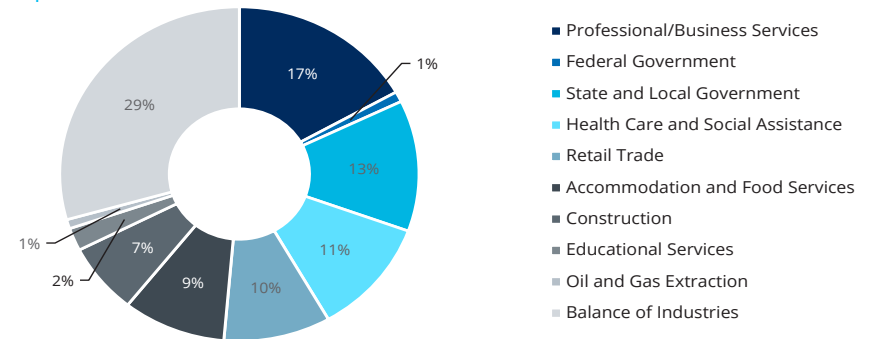
**Y-O-Y CHANGE IN MEDICAL OFFICE JOBS**



Source: Bureau of Labor Statistics, Transwestern

**SHARE OF EMPLOYEES BY INDUSTRY**

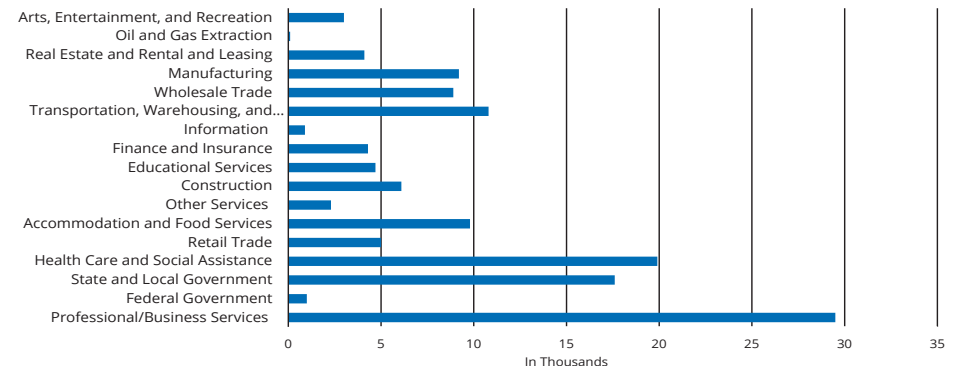
Houston | March 2023



Source: Bureau of Labor Statistics, Transwestern

**Y-O-Y CHANGE IN JOBS BY INDUSTRY**

Houston | March 2023



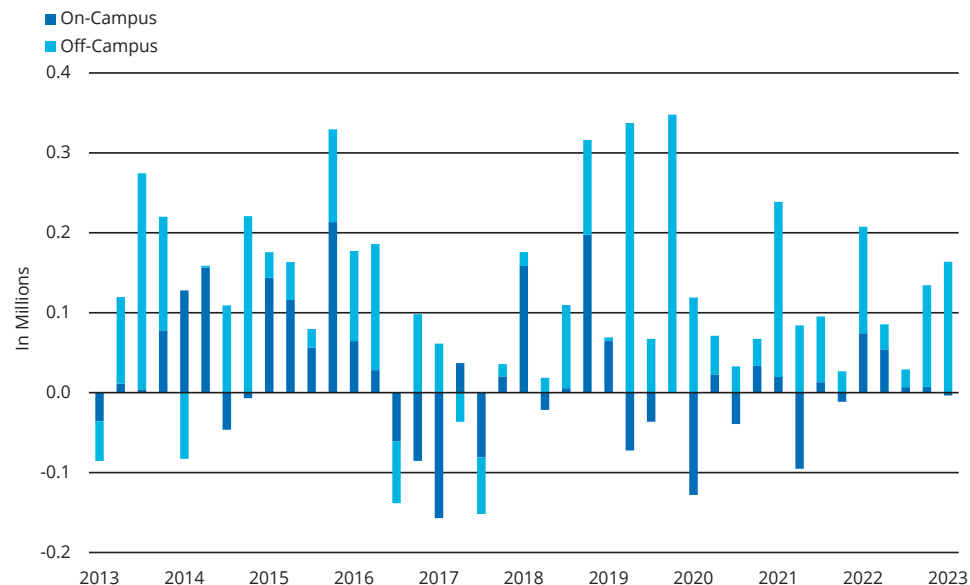
Source: Bureau of Labor Statistics, Transwestern

### NET ABSORPTION

#### Off-Campus Deliveries Set the Stage Positive Leasing Growth

- Absorption this quarter continues capitalize on its strong performance following a period of solid demand during the fourth quarter of 2022. Overall net absorption totaled just over 160,000 square feet, a figure that both matches and adds 25,000 square feet of total new net demand quarter-over-quarter.
- Two positive absorption events stand out in helping move the needle further in the black throughout the Houston market. The first came from the Houston Department of Health and Human Services taking up 57,165 square feet at the recently delivered, off-campus at Sunnyside Health and Multi-Service Center located at 4410 Reed Rd in the South submarket. The second to help boost overall net absorption came from the delivery of Kelsey-Seybold Clinic in Stafford, the Class A, 33,000 square foot, off-campus building located at 11211 Nexus Ave in the Near Southwest submarket. Kelsey-Seybold assumed occupancy of the entire building following the completion of the project during the first quarter.
- Houston’s on-campus facilities experienced negative net absorption of just over 3,600 square feet, negative absorption for the respective buildings’ campus-type has not been seen since the third quarter of 2021. The small level of spaces losses took place over four submarkets with the primary contraction of overall space occupied occurring in the Texas Medical Center (TMC) and Bellaire submarkets with on-campus space givebacks reaching 39,968 square feet and 11,508 square feet, respectively.
- Four submarkets posted an overall gain for both off-campus and on-campus properties totaling quarterly net absorption above 35,000 square feet: South (49.2K SF), 290 Corridor (41.2k SF), Clear Lake (38.1K SF), and Far West (36.5K SF).

### NET ABSORPTION BY CLASS



Source: CoStar, Revista, Transwestern

### TOP TEN HEALTHCARE SYSTEMS BY NUMBER OF BEDS

#### Houston Metro Area

HEALTHCARE SYSTEM	ACUTE CARE BEDS	LOCAL HOSPITALS
MEMORIAL HERMANN	4,298	14
HCA HOUSTON HEALTHCARE	3,377	13
HOUSTON METHODIST	3,148	8
CHI ST. LUKE'S HEALTH	1,609	8
UNIVERSITY OF TEXAS MEDICAL BRANCH HEALTH SYSTEM	998	5
TEXAS CHILDREN'S	954	3
THE UNIVERSITY OF TEXAS MD ANDERSON CANCER CENTER	743	1
HARRIS HEALTH SYSTEM	654	2
MICHAEL E. DEBAKEY VETERANS AFFAIRS MEDICAL CENTER	500	1
ST. JOSEPH MEDICAL CENTER	290	1
<b>TOTAL</b>	<b>16,571</b>	<b>56</b>

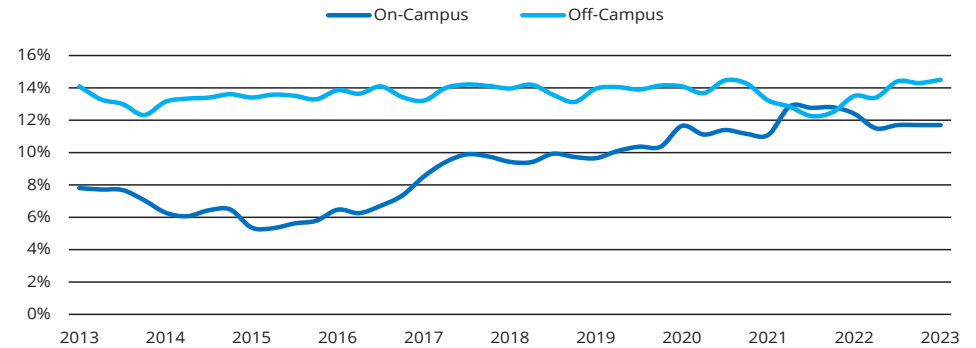
Source: Houston Business Journal Oct. 2022, Transwestern

**VACANCY**

**New Building Deliveries, Strong Leasing Velocity Impact Overall Vacancy**

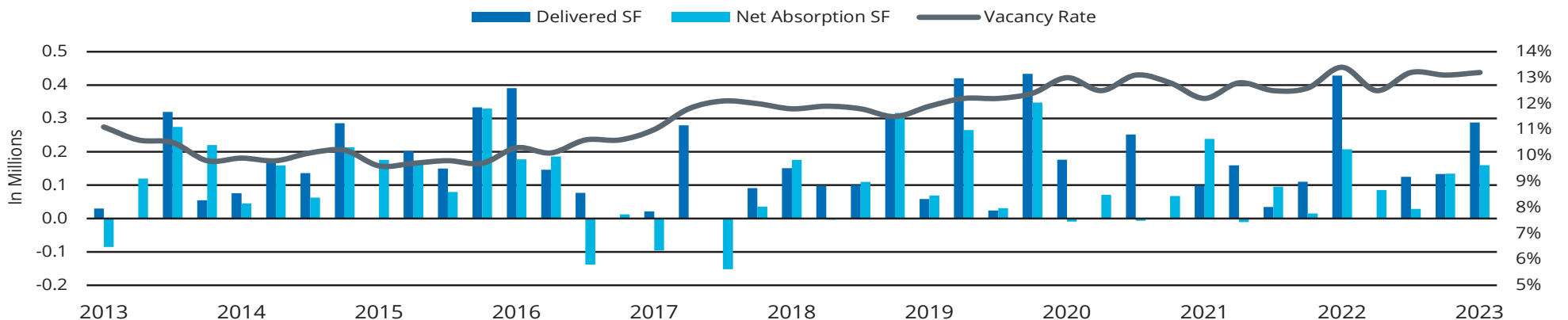
- Overall direct vacancy ticked up 10 basis points to 13.2 percent, as Houston’s healthcare sector experienced recent building deliveries with vacant available space for lease. As a result, newly delivered buildings came in approximately 20 percent occupied and influenced the overall quarterly vacancy rate compilation. Houston’s on-campus properties remained even in direct vacancy over the period at 11.7 percent and has essentially remained the unchanged for three reporting periods in a row. However, year-over-year direct vacancy decreased 50 basis points.
- Turning the page towards off-campus, direct vacancy increased slightly over the quarter by 20 basis points. The most notable uptick came from the South submarket where the already competitive submarket saw direct vacancy increase 6.5 percent. The largest contributor for the spike in vacancy from Creekside Park Medical Plaza delivering with 48,993 square feet on net rentable area and no pre-lease commitment.
- An additional two submarkets experienced rising vacancies over two percent for off-campus properties quarter-over-quarter: Tomball (11.8% to 14.6%) and Conroe (7.2% to 9.3%). Combined these two submarkets experienced just over 40,000 square feet of space givebacks during the reporting period.

**OVERALL VACANCY RATE**



Source: CoStar, Revista, Transwestern

**DELIVERY IMPACT ON KEY INDICATORS**



Source: CoStar, Revista, Transwestern

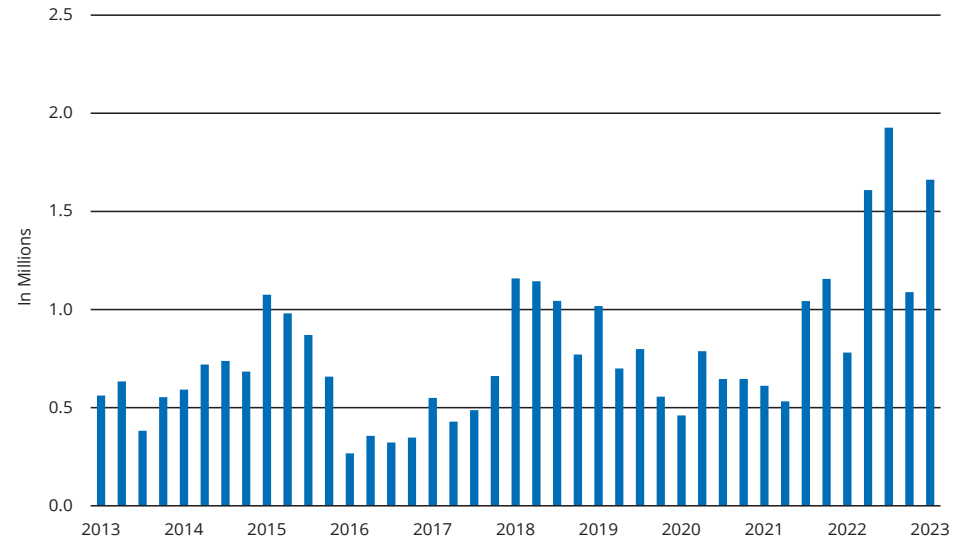


### UNDER CONSTRUCTION

#### Confirmed Project Starts Expand the Metro’s Pipeline Above 1.6 Million SF

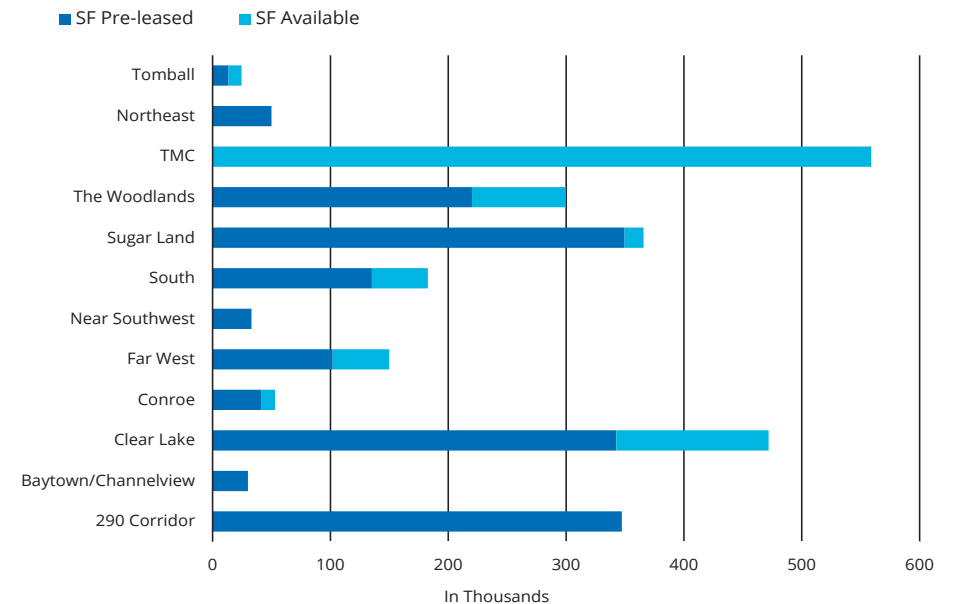
- Houston’s healthcare pipeline expanded to just over 1.6 million square feet this quarter from 1.1 million square feet at the end of last year. The most notable of the projects confirmed this quarter as underway is the expansion of the Kelsey-Seybold Clinic – Fort Bend located at 11555 University Blvd in the Sugar Land submarket. Welltower, a real estate investment trust, contracted Houston-based Gamma Construction to begin development on the 135,000 square foot facility which is poised to expand specialty care services, add a cancer center as well as an ambulatory surgery center. The project is slated to complete winter of 2023.
- Several notable deliveries were completed during the quarter, particularly Sunnyside Health and Multi-Service Center in the South submarket. The two-story, 57,165 square foot building at the corner of Reed Rd and Edger St and delivered fully occupied as home to the Houston Department of Health and Human Services.
- A second delivery announced during the quarter includes Creekside Park Medical Plaza in The Woodlands. The Class A, two-story traditional medical office style building features three, 16,331 square foot suites that can be broken down further in blocks of 1,200 square feet each. The property is located at 26424 Strake at the corner of Strake Dr and Rockwell Park Blvd in The Woodlands submarket.

### UNDER CONSTRUCTION



Source: CoStar, Transwestern

### UNDER CONSTRUCTION BY SUBMARKET



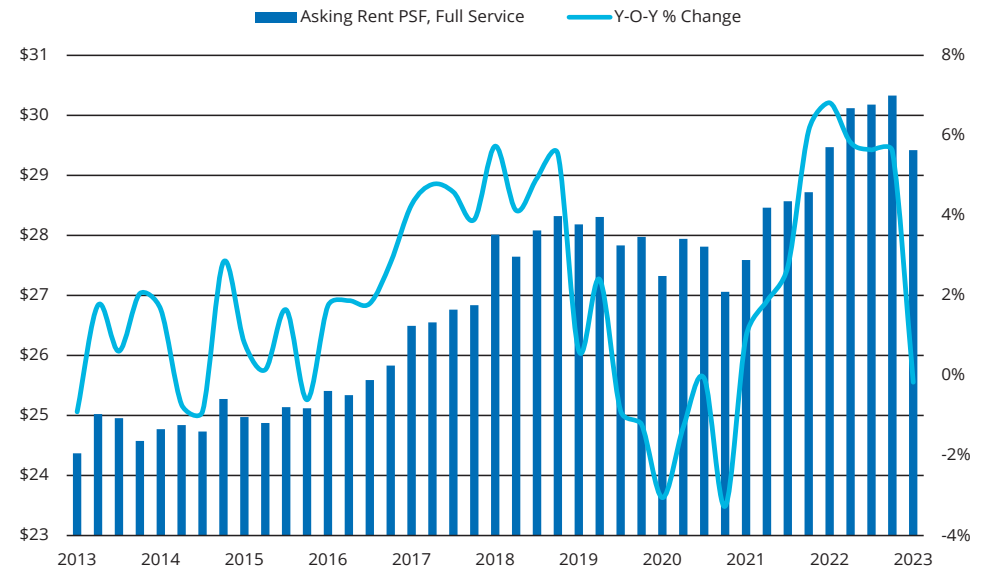
Source: CoStar, Revista, Transwestern

**RENTAL RATES**

**Owners Hold Steady in Q1 2023 on Annual Asking Rents in Past Year**

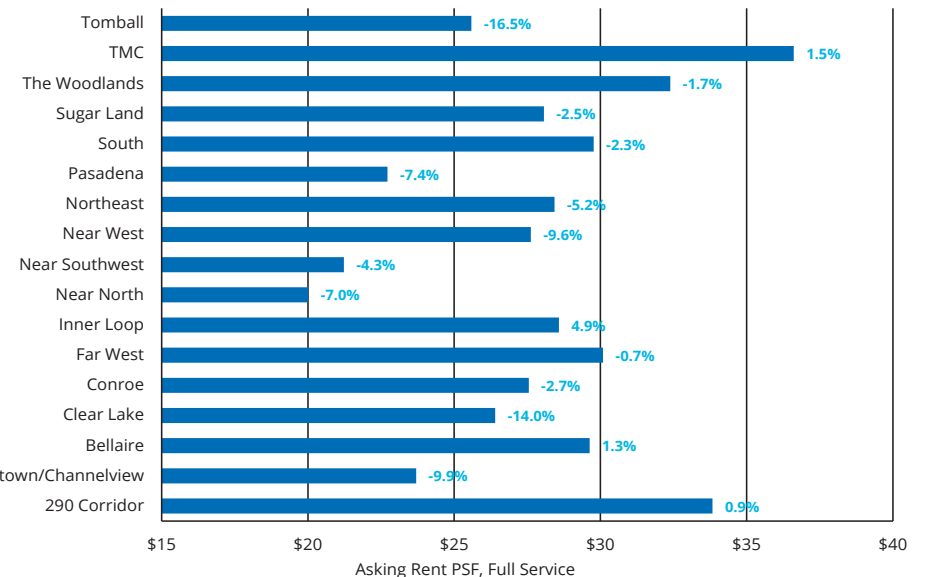
- Houston’s healthcare sector saw asking rents decline during the first quarter of 2023, pulling back to \$29.42 PSF/YR from \$30.33 PSF/YR with the largest decrease coming from Baytown/Channelview and The Woodlands submarkets, both experiencing lower quoted asking rents. The most notable was in the Baytown/Channelview submarket where overall asking rates lessened 12.7 percent quarter-over-quarter due to 5614-5650 E Sam Houston Pky N and 5616 Lawndale St both quoting lower asking rents by approximately 14 percent quarter-over-quarter. The Woodlands submarket also experienced decreased asking rents of 10.1 percent for the time being due to Pineroft Medical Plaza and 1001 Medical Plaza Dr both quoting lower rates by 16.7 percent and 10.7 percent, respectively.
- Both on-campus and off-campus product measured seasonal slower rents quarter-over-quarter, but off-campus experienced the most noticeable where the overall market average decreasing 3.5 percent, the year-over-year rate came in with a negligible 90 basis points lower figure. On-campus buildings experienced 0.5 percent decline quarter-over-quarter, but still show improvement from this time last year with actual percentage gains of 2.8 percent year-over-year.
- Still, Houston’s overall asking rents remained relatively steady in year-over-year comparison with a marginal decrease of less than a percent during the past 12 months when average asking full-service rents weighed in at \$29.47 PSF/YR. Given the five-year trend, though, Houston’s healthcare sector will be extremely competitive, especially with third-party projects having one of the highest concentrations of purpose-built product in a major metro pipeline. For example, projects currently under development have seen asking rents increase by nearly 2.5 percent during the same time.

**ASKING RENT**



Source: CoStar, Revista, Transwestern

**ASKING RENTS BY SUBMARKET AND Y-O-Y GROWTH**



Source: CoStar, Revista, Transwestern

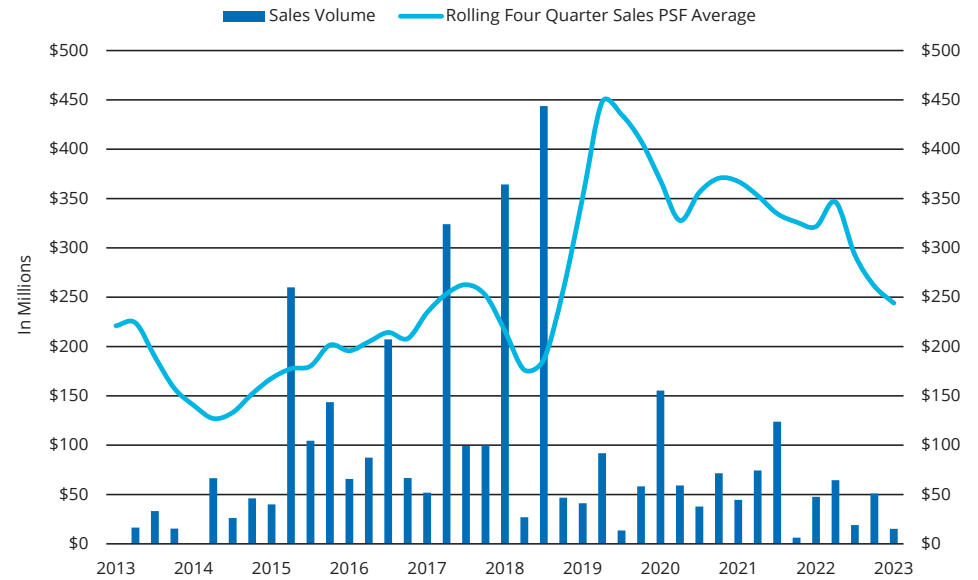


### SALES

#### First Quarter Local Sales Reflect Slower U.S. Investment Activity

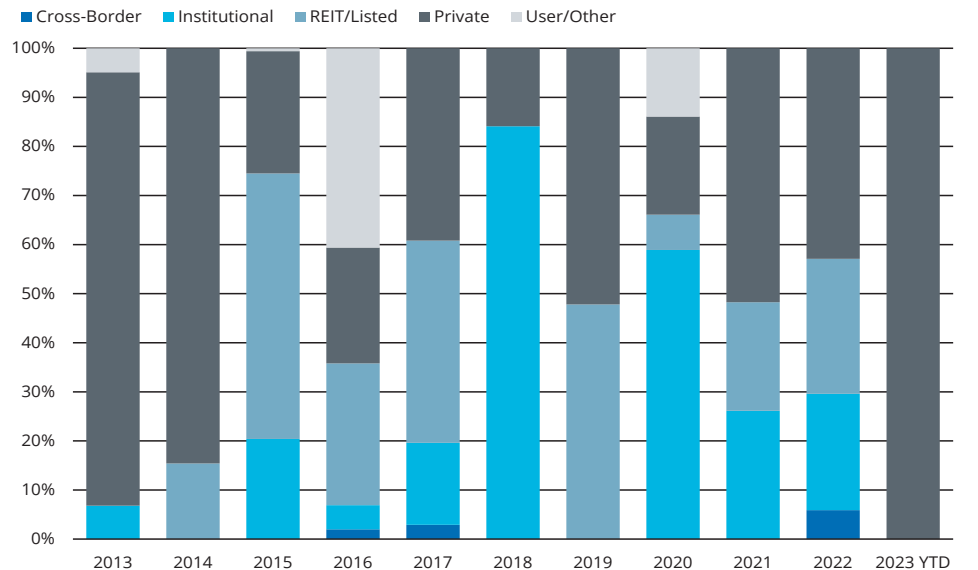
- Healthcare/medical office investors completed one property sale throughout the Houston metro during the first quarter with an estimated median acquisition price of \$268 per square foot according to Real Capital Analytics. Rising interest rates, inflationary pressures and a cautious near-term outlook are putting a damper on investment sales activity in major healthcare markets throughout the U.S.
- For investors, the private sector was the only active market participant during quarter, being both on the buying and selling side of the sole property trade as sales activity has slowed nationwide. Based recent sales volumes provided by Revista, 12-month trending capitalization rates are showing an increase ranging from 20 to 30 basis points. Long-term U.S. healthcare demand drivers are sound, and the outlook is that consumer spending will rise from \$4.5 trillion in 2022 to \$6.8 trillion by 2030.
- Houston is coming off an active year for healthcare and medical office trades. REITs showed the strongest net positive numbers during 2022, the investment group capped off with a net total of \$26.1 million in acquisitions. International investors remained relatively quiet during 2022, but finished in the black, with total investment activity mounting to a net positive of \$14.1 million in acquisitions. Institutional investors summarized their year as net sellers, the group sold just under a net total of \$1.0 million in assets during 2022.
- Meanwhile, the recent quarter’s property trade announced during the quarter came from a privately listed buyer purchasing 8042 Katy Fwy, an 82,685 square foot, Class B building located in the Near West submarket. The privately listed buyer purchased the property from Houston-based Weekley Homes LLC according to Real Capital Analytics.

### SALES VOLUME



Source: Real Capital Analytics, Transwestern







### BUYER CAPITAL COMPOSITION



Source: Real Capital Analytics, Transwestern



**NOTABLE LEASES**

TENANT	ADDRESS	SUBMARKET	LEASE TYPE	SF LEASED
<b>KELSEY-SEYBOLD CLINIC</b> 	1900 N Loop Fwy W	Inner Loop	Renewal	22,241
<b>WELLMED MEDICAL MANAGEMENT</b> 	427 W 20th St	Inner Loop	New Lease	14,281
<b>NORTHWEST HOUSTON ARTHRITIS CENTER</b> 	17045 St. Edwards Dr	Near North	New Lease	3,711
<b>JOHN CLEMMONS JR., M.D., P.A.</b> 	1213 Hermann Dr	TMC	Renewal	2,922
<b>JOHN BERTINI JR., MD, PA</b> 	1315 St Joseph Pky	Inner Loop	Renewal	2,849
<b>LABORATORY CORPORATION OF AMERICA</b> 	13215 Dotson Rd	Tomball	Renewal	2,744

**NOTABLE MEDICAL OFFICE UNDER CONSTRUCTION**

ADDRESS	BUILDING NAME	SUBMARKET	BUILDING SF	PRE-LEASED %
<b>2340 N GRAND PARKWAY</b>	Kelsey Seybold Springwoods Village Campus	The Woodlands	165,000	100%
<b>24500 US 290</b>	Houston Methodist Cypress MOB 1	290 Corridor	162,900	100%
<b>24500 US 290</b>	Houston Methodist Cypress MOB 2	290 Corridor	160,200	100%
<b>16655 SOUTHWEST FWY</b>	Houston Methodist Sugar Land Hospital MOB 4	Sugar Land	160,000	90%
<b>18700 KATY FWY</b>	Houston Methodist West Hospital MOB 3	Far West	150,000	68%
<b>11555 UNIVERSITY BLVD</b>	Kelsey-Seybold Clinic - Fort Bend	Sugar Land	135,000	100%

**NOTABLE HOSPITALS UNDER CONSTRUCTION**

BUILDING NAME	SUBMARKET	BLDG./EXPANSION SF	EXPECTED DELIVERY
<b>CENTENNIAL TOWER</b>	TMC	1,000,000	Q3 2027
<b>HOUSTON METHODIST CYPRESS</b>	290 Corridor	571,000	Q1 2025
<b>HOUSTON METHODIST SUGAR LAND*</b>	Sugar Land	466,565	Q1 2025
<b>MEMORIAL HERMANN CYPRESS*</b>	290 Corridor	185,000	Q3 2024
<b>HOUSTON METHODIST WEST</b>	Sugar Land	160,000	Q2 2024
<b>MEMORIAL HERMANN KATY*</b>	Near Southwest	115,000	Q2 2024

These statistics are not combined into the Houston Medical Office Market Indicators

\* Indicates Hospital is expanding



**HOUSTON MEDICAL OFFICE MARKET INDICATORS**

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF
<b>TOTALS</b>								
<b>OFF CAMPUS</b>	17,514,403	2,534,228	14.5%	18.6%	836,645	163,823	316,477	\$27.58
<b>ON CAMPUS</b>	14,614,808	1,708,926	11.7%	14.1%	824,700	(3,652)	41,464	\$32.74
<b>GRAND TOTAL</b>	<b>32,129,211</b>	<b>4,243,154</b>	<b>13.2%</b>	<b>16.6%</b>	<b>1,661,345</b>	<b>160,171</b>	<b>357,941</b>	<b>\$29.42</b>

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
<b>290 CORRIDOR</b>								
<b>OFF CAMPUS</b>	666,616	99,330	14.9%	20.3%	24,562	38,193	40,978	\$28.46
<b>ON CAMPUS</b>	628,244	192,305	30.6%	21.5%	323,100	3,023	(5,516)	\$37.20
<b>290 CORRIDOR TOTAL</b>	<b>1,294,860</b>	<b>291,635</b>	<b>22.5%</b>	<b>21.0%</b>	<b>347,662</b>	<b>41,216</b>	<b>35,462</b>	<b>\$33.83</b>
<b>BAYTOWN/CHANNELVIEW</b>								
<b>OFF CAMPUS</b>	323,628	113,275	35.0%	36.0%	-	32,275	(2,013)	\$23.70
<b>ON CAMPUS</b>	143,291	-	-	-	-	-	-	-
<b>BAYTOWN/CHANNELVIEW TOTAL</b>	<b>466,919</b>	<b>113,275</b>	<b>24.3%</b>	<b>25.0%</b>	<b>-</b>	<b>32,275</b>	<b>(2,013)</b>	<b>\$23.70</b>
<b>BELLAIRE</b>								
<b>OFF CAMPUS</b>	1,342,310	195,760	14.6%	19.4%	-	(15,230)	(20,553)	\$29.29
<b>ON CAMPUS</b>	226,714	18,073	8.0%	8.0%	-	(11,508)	(11,508)	\$34.02
<b>BELLAIRE TOTAL</b>	<b>1,569,024</b>	<b>213,833</b>	<b>13.6%</b>	<b>17.7%</b>	<b>-</b>	<b>(26,738)</b>	<b>(32,061)</b>	<b>\$29.63</b>
<b>CLEAR LAKE</b>								
<b>OFF CAMPUS</b>	875,510	73,063	8.3%	20.1%	185,900	33,967	19,535	\$20.97
<b>ON CAMPUS</b>	1,284,034	48,634	3.8%	3.6%	141,600	4,123	(1,527)	\$31.98
<b>CLEAR LAKE TOTAL</b>	<b>2,159,544</b>	<b>121,697</b>	<b>5.6%</b>	<b>10.6%</b>	<b>327,500</b>	<b>38,090</b>	<b>18,008</b>	<b>\$26.40</b>
<b>CONROE</b>								
<b>OFF CAMPUS</b>	311,171	28,988	9.3%	16.5%	53,000	(6,571)	16,124	\$24.80
<b>ON CAMPUS</b>	640,145	50,830	7.9%	13.4%	-	23,329	32,918	\$29.63
<b>CONROE TOTAL</b>	<b>951,316</b>	<b>79,818</b>	<b>8.4%</b>	<b>14.5%</b>	<b>53,000</b>	<b>16,758</b>	<b>49,042</b>	<b>\$27.55</b>

**HOUSTON MEDICAL OFFICE MARKET INDICATORS**

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
<b>FAR WEST</b>								
<b>OFF CAMPUS</b>	875,760	108,904	12.4%	13.7%	-	28,147	58,948	\$30.73
<b>ON CAMPUS</b>	825,647	113,601	13.8%	17.5%	150,000	8,412	11,919	\$28.11
<b>FAR WEST TOTAL</b>	1,701,407	222,505	13.1%	15.7%	150,000	36,559	70,867	\$30.09
<b>INNER LOOP</b>								
<b>OFF CAMPUS</b>	1,520,416	229,824	15.1%	19.6%	-	(3,640)	(10,743)	\$30.47
<b>ON CAMPUS</b>	421,706	178,736	42.4%	46.5%	-	1,451	5,340	\$26.16
<b>INNER LOOP TOTAL</b>	1,942,122	408,560	21.0%	25.5%	-	(2,189)	(5,403)	\$28.58
<b>NEAR NORTH</b>								
<b>OFF CAMPUS</b>	1,270,458	344,363	27.1%	34.7%	-	15,521	(60,432)	\$20.01
<b>ON CAMPUS</b>	-	-	-	-	-	-	-	-
<b>NEAR NORTH TOTAL</b>	1,270,458	344,363	27.1%	34.7%	-	15,521	(60,432)	\$20.01
<b>NEAR SOUTHWEST</b>								
<b>OFF CAMPUS</b>	746,543	85,863	11.5%	10.5%	70,647	24,419	3,797	\$21.23
<b>ON CAMPUS</b>	612,630	129,886	21.2%	29.0%	-	750	750	
<b>NEAR SOUTHWEST TOTAL</b>	1,359,173	215,749	15.9%	18.4%	70,647	25,169	4,547	\$21.23
<b>NEAR WEST</b>								
<b>OFF CAMPUS</b>	1,663,302	191,486	11.5%	12.9%	-	(22,484)	103,007	\$24.19
<b>ON CAMPUS</b>	2,174,971	172,994	8.0%	12.1%	-	3,283	17,547	\$30.92
<b>NEAR WEST TOTAL</b>	3,838,273	364,480	9.5%	12.4%	-	(19,201)	120,554	\$27.62
<b>NORTHEAST</b>								
<b>OFF CAMPUS</b>	1,034,034	91,658	8.9%	11.5%	50,000	(1,158)	(4,814)	\$26.77
<b>ON CAMPUS</b>	239,098	79,670	33.3%	33.3%	-	(3,443)	17,505	\$31.43
<b>NORTHEAST TOTAL</b>	1,273,132	171,328	13.5%	15.5%	50,000	(4,601)	12,691	\$28.43

**HOUSTON MEDICAL OFFICE MARKET INDICATORS**

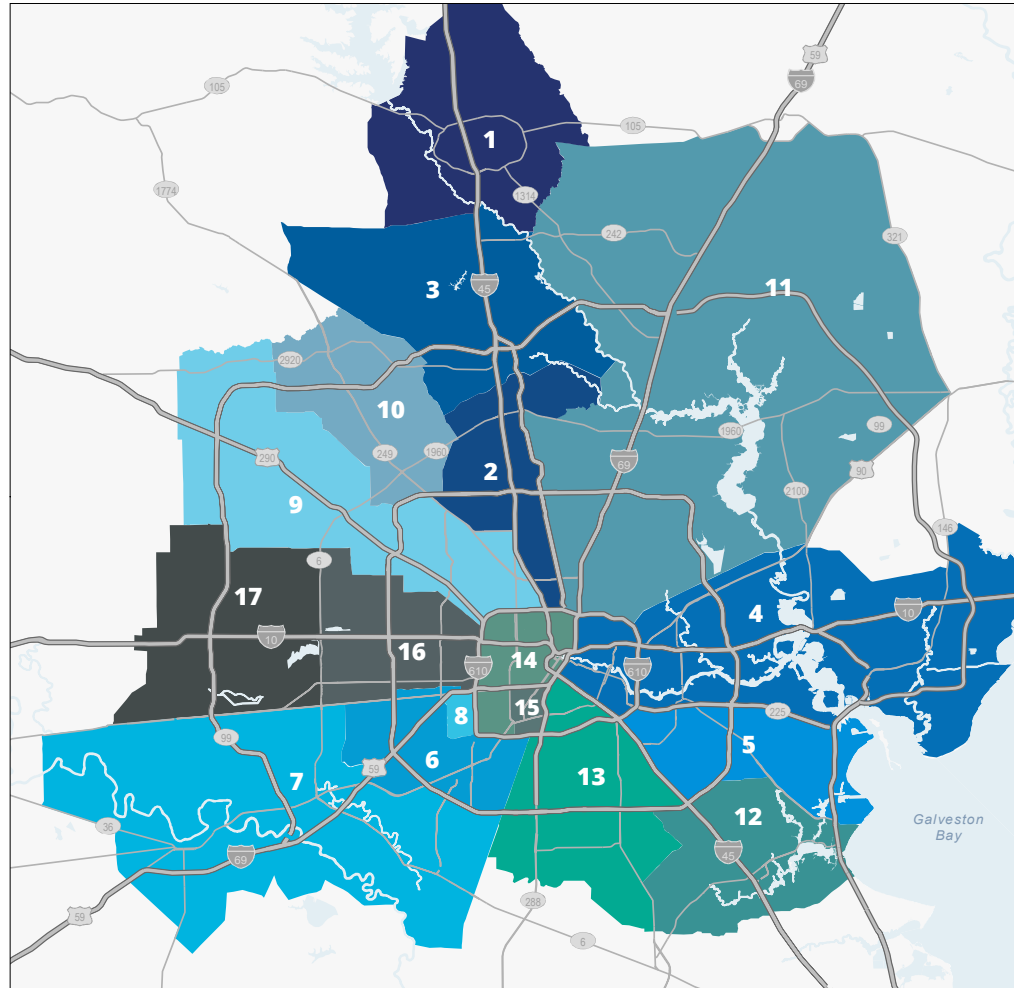
SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
<b>PASADENA</b>								
OFF CAMPUS	505,525	74,944	14.8%	15.4%	-	23,468	28,582	\$22.19
ON CAMPUS	84,655	9,226	10.9%	10.9%	-	714	-	\$26.77
<b>PASADENA TOTAL</b>	590,180	84,170	14.3%	14.8%	-	24,182	28,582	\$22.72
<b>SOUTH</b>								
OFF CAMPUS	657,336	109,440	16.6%	16.0%	28,000	50,949	62,404	\$27.25
ON CAMPUS	261,425	43,181	16.5%	18.0%	50,000	(1,765)	(260)	\$32.27
<b>SOUTH TOTAL</b>	918,761	152,621	16.6%	16.6%	78,000	49,184	62,144	\$29.77
<b>SUGAR LAND</b>								
OFF CAMPUS	1,193,397	223,638	18.7%	24.2%	135,000	(2,530)	30,598	\$28.78
ON CAMPUS	913,061	99,078	10.9%	10.9%	160,000	1,393	6,249	\$26.05
<b>SUGAR LAND TOTAL</b>	2,106,458	322,716	15.3%	18.3%	295,000	(1,137)	36,847	\$28.07
<b>THE WOODLANDS</b>								
OFF CAMPUS	1,419,289	174,214	12.3%	18.1%	85,629	18,563	67,481	\$30.94
ON CAMPUS	1,223,058	74,894	6.1%	12.5%	-	6,554	11,987	\$35.40
<b>THE WOODLANDS TOTAL</b>	2,642,347	249,108	9.4%	15.6%	85,629	25,117	79,468	\$32.39
<b>TMC</b>								
OFF CAMPUS	2,326,562	275,396	11.8%	17.0%	38,907	(28,239)	22,223	\$37.19
ON CAMPUS	4,641,472	491,453	10.6%	12.7%	-	(39,968)	(55,952)	\$36.16
<b>TMC TOTAL</b>	6,968,034	766,849	11.0%	14.2%	38,907	(68,207)	(33,729)	\$36.61
<b>TOMBALL</b>								
OFF CAMPUS	782,546	114,082	14.6%	16.7%	165,000	(21,827)	(38,645)	\$24.76
ON CAMPUS	294,657	6,365	2.2%	2.9%	-	-	12,012	\$38.25
<b>TOMBALL TOTAL</b>	1,077,203	120,447	11.2%	13.4%	165,000	(21,827)	(26,633)	\$25.59

**RESEARCH METHODOLOGY**

The information in this report is the result of a compilation of information on healthcare/ medical office properties located in the Houston metropolitan area. This report includes single tenant, multi-tenant and owner-user properties 20,000 SF and larger, excluding those properties owned and occupied by a government agency.

**ABOUT TRANSWESTERN**

The privately held Transwestern companies have been delivering a higher level of personalized service and innovative real estate solutions since 1978. Through an integrated, customized approach that begins with good ideas, the firm drives value for clients across commercial real estate services, development, investment management, and opportunistic endeavors for high-net-worth investors. Operating from 33 U.S. offices, Transwestern extends its platform capabilities globally through strategic alliance partners whose unique geographic, cultural, and business expertise fuels creative solutions. Learn more at [transwestern.com](https://transwestern.com) and [@Transwestern](https://twitter.com/Transwestern).



**Houston Medical Submarkets**

- North**
  - 1 Conroe
  - 2 Near North
  - 3 The Woodlands
- East**
  - 4 Baytown/Channelview
  - 5 Pasadena
- Southwest**
  - 6 Southwest Near
  - 7 Sugar Land
  - 8 Bellaire
- Northwest**
  - 9 290 Corridor
  - 10 Tomball
- Northeast**
  - 11 Northeast
- Southeast**
  - 12 Clear Lake
  - 13 South
- Central**
  - 14 Inner Loop
  - 15 TMC
- West**
  - 16 Near West
  - 17 Far West

**FOR MORE INFORMATION**

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