



TRANSWESTERN

# HOUSTON HEALTHCARE/ MEDICAL OFFICE MARKET

Q2 2023

## TRENDLINES

	Q2 2023	Q2 2022	ONE-YEAR TRAILING	FIVE-YEAR AVERAGE	12-MONTH FORECAST
UNEMPLOYMENT RATE (%)	4.2	4.0	↑	5.4	↑
NET ABSORPTION (Thousands SF)	293.7	85.5	↑	119.4	↑
DIRECT VACANCY RATE	13.2%	12.5%	↑	12.6%	↔
TOTAL AVAILABILITY (MSF)	4.3	4.0	↑	3.9	↑
UNDER CONSTRUCTION (MSF)	1.3	1.6	↓	1.0	↓
ASKING RENT, FULL SERVICE (PSF)	\$30.19	\$30.12	↑	\$28.55	↑
SALES VOLUME (Millions)	\$3.5	\$64.6	↓	\$71.2	↓

Source: Bureau of Labor Statistics, CoStar, Real Capital Analytics, Revista, Transwestern. Arrow color palette indicates property sector agency leasing, management and investor trending assessment(s).

## TOP HOUSTON HEALTHCARE SYSTEMS EXPAND SUBURBAN OPERATIONS

The majority of the 1.34 million square feet in Houston healthcare’s development pipeline - driven by major hospital systems including Kelsey-Seybold, Houston Methodist, and Memorial Hermann - is occurring in the suburbs, mainly in the 290 Corridor in the northwest followed closely by Clear Lake in the southeast of Houston and The Woodlands to the far north.

Six healthcare properties delivered this quarter for a total of more than 625,000 square feet. Houston’s fast-growing suburban market saw Houston Methodist complete its most recent addition to their Sugar Land campus, a six story 160,000 square foot medical office at 16655 Southwest Fwy. The first of two buildings under construction at Houston Methodist’s Cypress Campus was finished and includes a six-story, 162,900 square foot medical office property located at 24500 US 290.

Houston’s healthcare sector witnessed overall net absorption totaling nearly 300,000 square feet, with both on-campus and off-campus experiencing positive demand numbers. Overall direct vacancy for Houston’s healthcare sector held even at 13.2 percent this quarter. New construction completions for on-campus buildings came online fully occupied while off-campus properties were 59 percent pre-leased on completion.

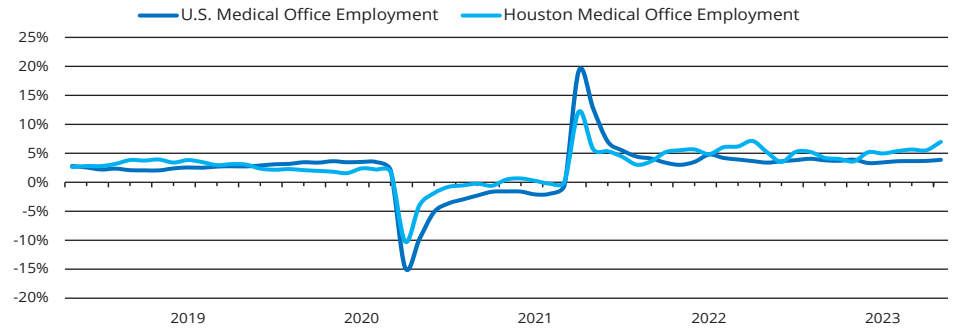


**ECONOMY**

**Local Jobs Outlook Expected to Total 3.4 Million; YTD Construction Permits, Housing Sales Up**

- Metro Houston created 5,400 jobs in June, according to the Texas Workforce Commission (TWC). This figure is one of the more sluggish months for June in recent measures reported the Greater Houston Partnership (GHP), especially after May's strong report showing employment growth climbed significantly by 18,500 jobs that month. Metro employment hit 3,360,800 in June, an all-time high, and has added 528,300 jobs since the pandemic, recovering 147 percent of the 359,300 jobs lost, said the GHP, and at the current pace of growth, local employment should top 3.4 million later this year.
- Meanwhile, the value of City of Houston building permits escalated noticeably during the first five months of 2023, totaling \$3.52 billion, and nearing the year-to-date value during its last peak in May 2019 at \$3.580 billion. Residential permits topped \$1.96 billion, outweighing nonresidential' s \$1.56 billion as Houston's housing market is showing signs of rebounding from slower home sales and higher mortgage rates.
- Houston's market for existing single-family homes improved in May to norms more in line with historic levels as closings year-to-date returned to 2019 numbers. Prices are rising but no longer escalating at double-digit rates, according to a late-June report by the Houston Association of Realtors (HAR). Additionally, the inventory of available homes greatly expanded with the HAR stating that brokers closed on just over 34,000 single-family homes in the first five months of 2023, down from the frenetic pace of the past two years, but still slightly above historic long-term averages.

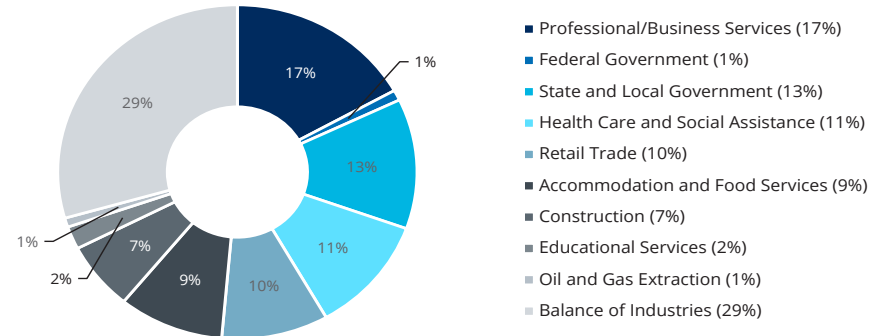
**Y-O-Y CHANGE IN MEDICAL OFFICE JOBS**



Source: Bureau of Labor Statistics, Transwestern

**SHARE OF EMPLOYEES BY INDUSTRY**

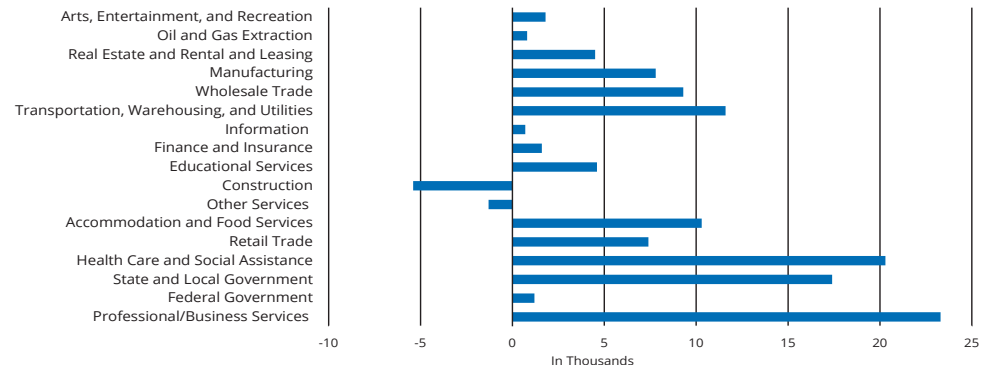
Houston | May 2023



Source: Bureau of Labor Statistics, Transwestern

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

Houston | May 2023



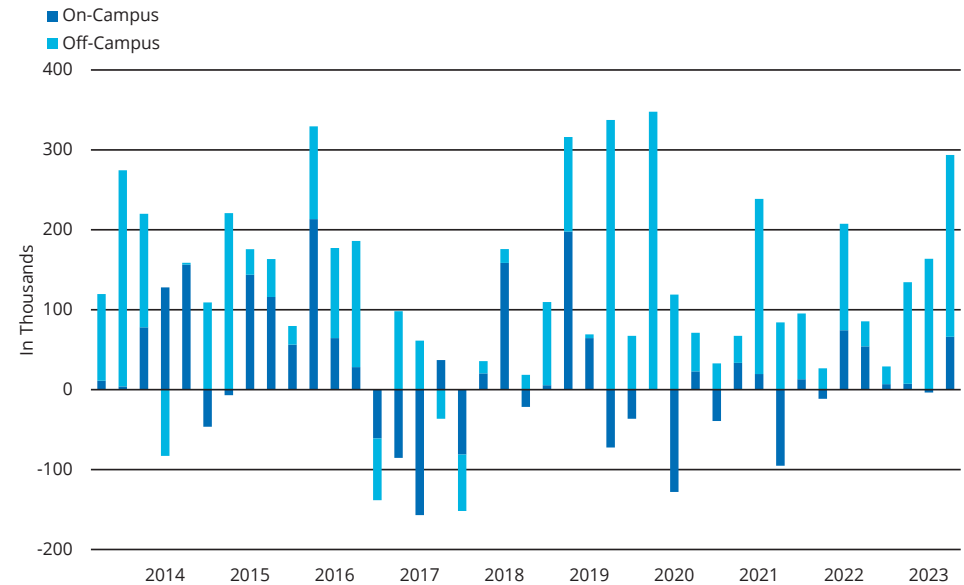
Source: Bureau of Labor Statistics, Transwestern

## NET ABSORPTION

### Product Deliveries Fuel Absorption Quarterly Growth

- Houston’s healthcare sector witnessed overall net absorption totaling nearly 300,000 square feet this quarter, with both on-campus and off-campus experiencing positive demand numbers at 66,087 square feet and 227,619 square feet, respectively.
- Immediate occupancy of delivered projects was the primary force behind the metro’s overall growth with a 71.5 percent pre-lease rate upon completion. Two notable off-campus absorption events include the delivery of T.T. and W.F. Chao Foundation HOPE Health, a 70,647 square foot building at 13930 Bellaire Blvd which HOPE Health took full occupancy of, and the 53,000 square feet occupied by Magnolia Medical Specialists at 3786 FM 1488 Rd upon the building’s completion.
- While on-campus properties saw overall net gains, two submarkets experienced the largest blocks of positive net absorption: 290 Corridor and Sugar Land registered 171,222 square feet and 7,447 square feet, respectively, for their on-campus properties. This was caused primarily by Houston Methodist completing construction of the first medical office building, totaling 162,900 square feet, for their new Cypress Campus and the delivery of the fourth medical office at their Sugar Land Campus totaling 160,000 square feet.
- Last, three submarkets posted an overall gain for both off-campus and on-campus properties, totaling quarterly net absorption above 35,000 square feet: 290 Corridor (192.2K SF), Near Southwest (95.7K SF), and Conroe (37.1K 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>

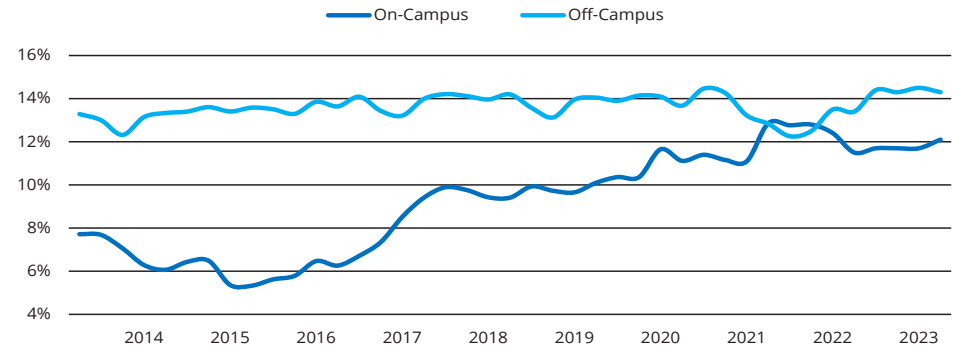
Source: Houston Business Journal Oct. 2022, Transwestern

VACANCY

Rates Steady Even as New Buildings Come Online

- Overall direct vacancy for Houston’s healthcare sector held even at 13.2 percent this quarter. New construction completions for on-campus buildings came online fully occupied while off-campus properties were 59 percent pre-leased on completion.
- During the quarter, tenant demand drove down off-campus vacancy while the metro’s on-campus properties experienced an increase in vacancy of 40 basis points. Overall year-over-year vacancy is up 70 basis points, with off-campus experiencing vacancy at a rate 20 basis points above that of on-campus.
- Vacancy in the 290 Corridor decreased by 4.5 percent quarter-over-quarter. This can be largely attributed to Houston Methodist Cypress MOB 1 delivering 162,900 square feet fully occupied. Additionally, two submarkets, Near Southwest and Near North, experienced decreased vacancy at 2.5 percent and 2.4 percent, respectively.

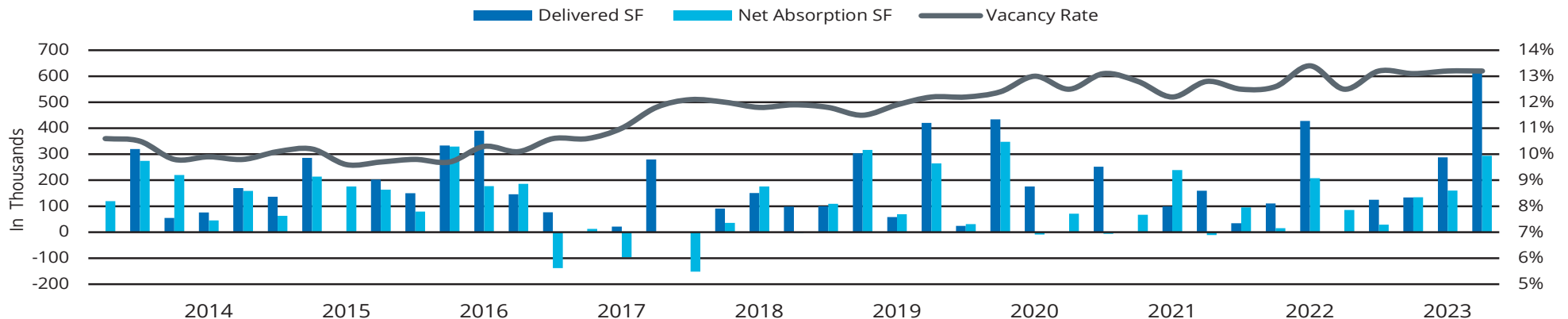
OVERALL VACANCY RATE



Source: CoStar, Revista, Transwestern

- Rates went up 8.6 percent in the Baytown/Channelview submarket due to the owner of Umar Syed Medical Tower at 2802 Garth Rd, Syed Enterprises, listing the entire building of 46,120 square feet vacant and available. Nearby, Clear Lake experienced increased vacancy by 4.7 percent over the last quarter, as 1715 South Friendswood delivered with 99,083 rentable building area and no pre-lease commitment.

DELIVERY IMPACT ON KEY INDICATORS



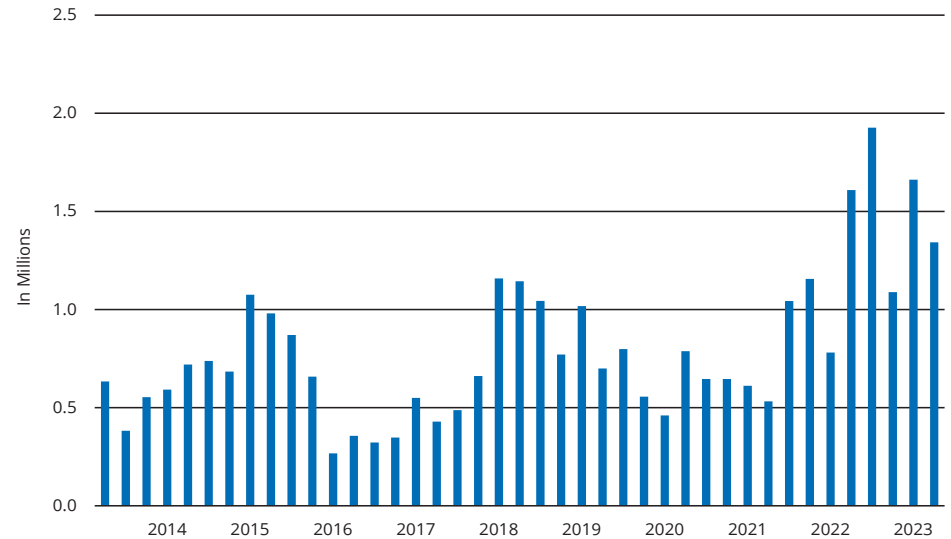
Source: CoStar, Revista, Transwestern

**UNDER CONSTRUCTION**

**Top Healthcare Systems Expand Suburban Operations**

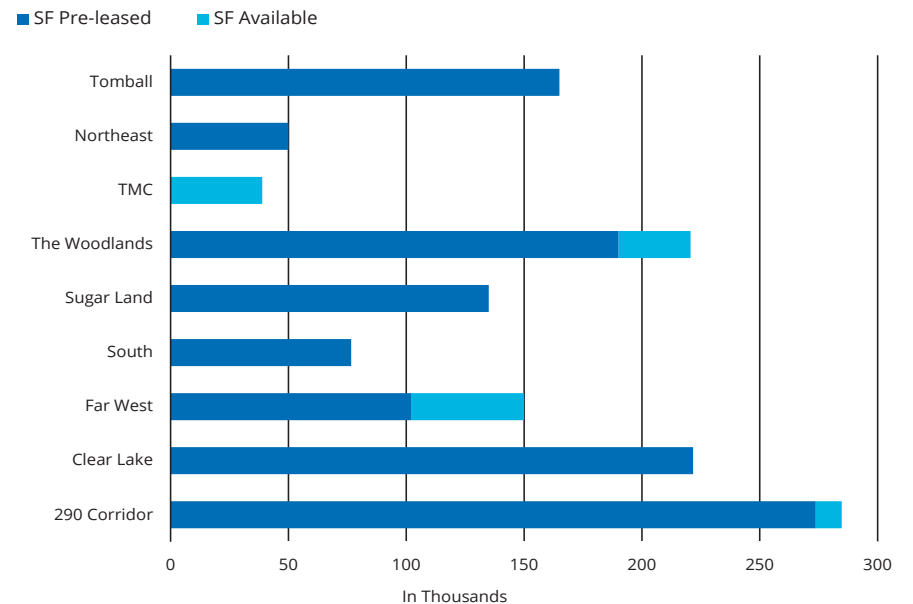
- The majority of the 1.34 million square feet in Houston healthcare’s development pipeline is in the 290 Corridor which contains 284,762 square feet, followed closely by Clear Lake with 221,700 square feet and The Woodlands with 220,629 square feet. This construction is driven by major hospital systems including Kelsey-Seybold, Houston Methodist, and Memorial Hermann, expanding their existing facilities and campuses plus new location starts throughout the Houston metro.
- Six properties delivered this quarter for a total of 625,630 square feet. Two include Houston Methodist properties comprising more than 50 percent of the square footage recently completed and are a strategic part of its expansion plans. Houston Methodist completed its most recent addition to their Sugar Land campus, a six story 160,00 square foot medical office at 16655 Southwest Fwy. Meanwhile, a six-story, 162,900 square foot medical office delivered at 24500 US290, the first of two medical office properties to be a part of Houston Methodist’s Cypress Campus.
- Adding to the pipeline, Memorial Hermann held a groundbreaking ceremony for their fifth medical plaza located at the northeast section of The Woodlands campus, adding 135,000 square feet of medical space. Construction is expected to be completed by May 2025.

**UNDER CONSTRUCTION**



Source: CoStar, Transwestern

**UNDER CONSTRUCTION BY SUBMARKET**



Source: CoStar, Revista, Transwestern

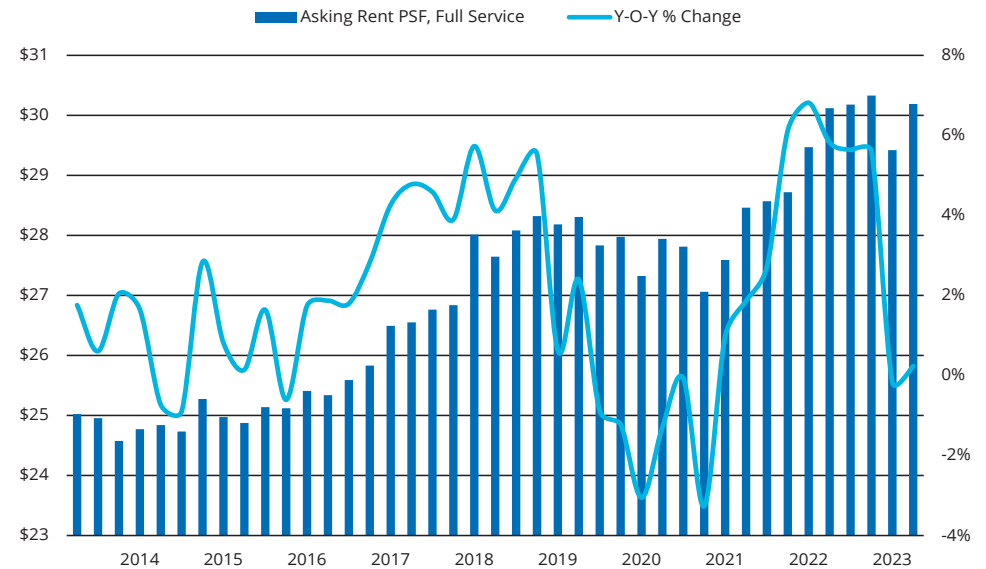


### RENTAL RATES

#### Rates Bounce Back, Tick Up 2.6% Over Q1 2023

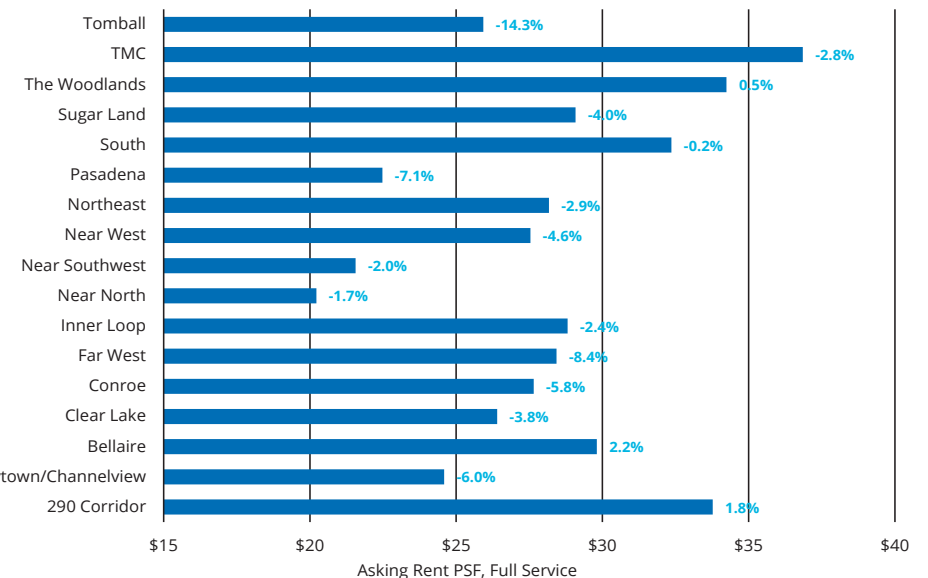
- Houston’s healthcare sector saw asking rents rise this quarter to \$30.19 PSF/YR from \$29.42 PSF/YR. The South submarket made the most significant increases with an 8.7 percent change quarter-over-quarter, mainly attributed to Memorial Hermann’s Pearland Medical Plaza 2 listing approximately 32,000 square feet and the building quoting premium asking rents. Also worth including is The Woodlands submarket which chalked up the second largest improvement with average rents up 5.7 percent. The Far West submarket noticed a 5.5 percent decrease during the quarter as several tenants signed direct leases for an combined total of nearly 18,000 square feet at 777 Fry Road and 2051 S Greenhouse Rd. removing available space from the market. Both Class A buildings had been quoting rents with a combined average of 7.0 percent above market last quarter.
- Both on-campus and off-campus product experienced a rise in rents quarter-over-quarter, with off-campus experiencing the largest. Overall market average in the category is up by 1.4 percent in the past 90 days. On-campus saw average asking rents rise a mere 50 basis points this quarter and showing improvement with an increase of 1.4 percent compared to this time last year.
- As result, Houston’s overall asking rents remained relatively steady on annualized basis as occupancies kept vacancy in in the low teens, faring better than traditional office space. Here medical office saw rents move sideways since midyear 2022 by a slight decline of 40 basis points when average asking full-service rents weighed in at \$30.30 PSF/YR.

### ASKING RENT



Source: CoStar, Revista, Transwestern

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



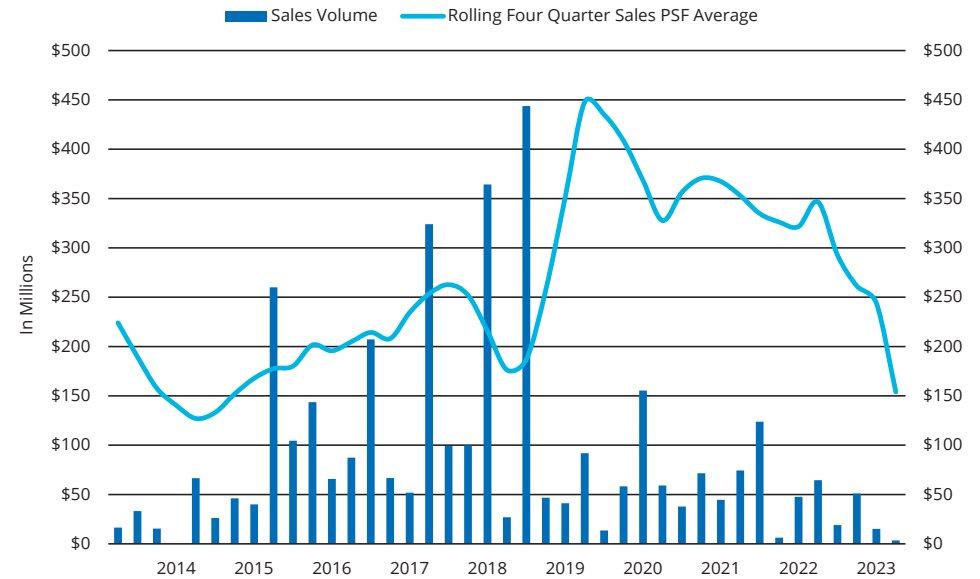
Source: CoStar, Revista, Transwestern

**SALES**

**Local & National Investment Volume Down Sharply**

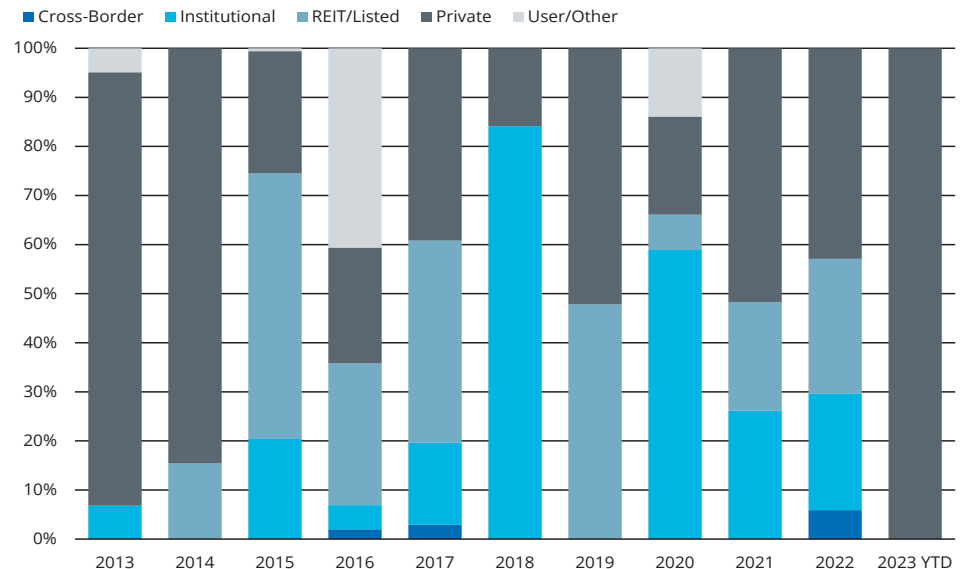
- Healthcare/medical office investors completed one property sale throughout the Houston metro during the second quarter with an estimated median acquisition price of \$44 per square foot according to Real Capital Analytics. As reported last quarter, rising interest rates, inflationary pressures and 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 the quarter, and the only active participant in 2023 thus far, being both on the buying and selling side of the sole property trade as sales continue to slow nationwide. Recent sales volumes provided by Revista show 2023 year-to-date healthcare/medical office trades are down by 71 percent as compared to 2022. Revista reported that transactions are favoring larger metros with around 55 percent of total U.S. volume in Q2 2023 with an average capitalization rate of 6.2 percent, a 40-basis point increase over the previous 12 months.
- A local property trade announced during the 90-day period came from privately listed buyer purchasing 8200 Wednesbury Ln - Southwest Medical Plaza, an 83,771 square foot, Class B building located in the Southwest Near submarket. The privately listed buyer purchased the property for estimated \$3.5 million 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
KS MANAGEMENT SERVICES, LLC 	13114 FM 1960 W	290 Corridor HC	New Lease	19,546
PHYSICIAN RELIANCE, LLC 	13215 Dotson Rd	Tomball HC	Renewal	17,348
ERC INTERMEDIATE HOLDCO, LLC 	7515 S Main St	TMC HC	Renewal	10,251
CORVA CLINICS, LLC - WEBSTER 	1914 Caroline St	CBD	Extension	9,861
HEIGHTS SURGERY CENTER, INC. 	427 W 20th St	North Loop West	New Lease	7,894
COMPLETE DERMATOLOGY 	134 Vision Park	The Woodlands HC	New Lease	6,910

**NOTABLE MEDICAL OFFICE UNDER CONSTRUCTION**

ADDRESS	BUILDING NAME	SUBMARKET	BUILDING SF	PRE-LEASED %
2340 N GRAND PARKWAY	Kelsey Seybold Springwoods Village Campus	The Woodlands	165,000	100%
24500 US 90	Houston Methodist Cypress MOB 2	290 Corridor	160,200	100%
18700 KATY FWY	Houston Methodist West Hospital MOB 3	Far West	150,000	68%
11555 UNIVERSITY BLVD	Kelsey-Seybold Clinic - Fort Bend	Sugar Land	135,000	100%
PINECROFT DR	Memorial Hermann The Woodlands Medical Plaza 5	The Woodlands	135,000	100%
1010 S PONDS DR	Kelsey-Seybold Clear Lake Professional Building	Sugar Land	116,000	100%

**NOTABLE HOSPITALS UNDER CONSTRUCTION**

BUILDING NAME	SUBMARKET	BLDG./EXPANSION SF	EXPECTED DELIVERY
CENTENNIAL TOWER	TMC	1,000,000	Q3 2027
HOUSTON METHODIST CYPRESS	290 Corridor	571,000	Q1 2025
HOUSTON METHODIST SUGAR LAND*	Sugar Land	466,565	Q1 2025
MEMORIAL HERMANN CYPRESS*	290 Corridor	185,000	Q3 2024
MEMORIAL HERMANN KATY*	Near Southwest	115,000	Q2 2024
ALVIN REGIONAL MEDICAL CENTER	South	88,000	Q4 2023

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>	17,817,133	2,529,339	14.2%	19.0%	607,198	227,619	571,149	\$27.91
<b>ON CAMPUS</b>	14,937,708	1,805,739	12.1%	14.8%	735,448	66,087	76,766	\$32.90
<b>GRAND TOTAL</b>	<b>32,754,841</b>	<b>4,335,078</b>	<b>13.2%</b>	<b>17.1%</b>	<b>1,342,646</b>	<b>293,706</b>	<b>647,915</b>	<b>\$30.19</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	78,302	11.7%	20.2%	24,562	21,028	53,705	\$28.45
<b>ON CAMPUS</b>	791,144	183,983	23.3%	19.2%	260,200	171,222	169,697	\$37.20
<b>290 CORRIDOR TOTAL</b>	<b>1,457,760</b>	<b>262,285</b>	<b>18.0%</b>	<b>19.6%</b>	<b>284,762</b>	<b>192,250</b>	<b>223,402</b>	<b>\$33.77</b>
<b>BAYTOWN/CHANNELVIEW</b>								
<b>OFF CAMPUS</b>	323,628	153,646	47.5%	49.1%	-	(40,371)	(24,685)	\$24.59
<b>ON CAMPUS</b>	143,291	-	-	-	-	-	-	-
<b>BAYTOWN/CHANNELVIEW TOTAL</b>	<b>466,919</b>	<b>153,646</b>	<b>32.9%</b>	<b>34.0%</b>	<b>-</b>	<b>(40,371)</b>	<b>(24,685)</b>	<b>\$24.59</b>
<b>BELLAIRE</b>								
<b>OFF CAMPUS</b>	1,342,310	178,683	13.3%	17.5%	-	17,077	(15,523)	\$29.46
<b>ON CAMPUS</b>	226,714	18,073	8.0%	8.0%	-	-	(11,508)	\$34.02
<b>BELLAIRE TOTAL</b>	<b>1,569,024</b>	<b>196,756</b>	<b>12.5%</b>	<b>16.1%</b>	<b>-</b>	<b>17,077</b>	<b>(27,031)</b>	<b>\$29.81</b>
<b>CLEAR LAKE</b>								
<b>OFF CAMPUS</b>	974,593	183,106	18.8%	26.7%	80,100	(10,960)	8,278	\$20.76
<b>ON CAMPUS</b>	1,284,034	49,912	3.9%	3.7%	141,600	(1,278)	(2,805)	\$34.41
<b>CLEAR LAKE TOTAL</b>	<b>2,258,627</b>	<b>233,018</b>	<b>10.3%</b>	<b>13.5%</b>	<b>221,700</b>	<b>(12,238)</b>	<b>5,473</b>	<b>\$26.40</b>
<b>CONROE</b>								
<b>OFF CAMPUS</b>	364,171	38,999	10.7%	19.1%	-	42,989	45,313	\$24.82
<b>ON CAMPUS</b>	640,145	56,705	8.9%	13.4%	-	(5,875)	21,145	\$29.53
<b>CONROE TOTAL</b>	<b>1,004,316</b>	<b>95,704</b>	<b>9.5%</b>	<b>15.5%</b>	<b>-</b>	<b>37,114</b>	<b>66,458</b>	<b>\$27.65</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>								
OFF CAMPUS	875,760	81,962	9.4%	12.1%	-	26,942	83,734	\$31.07
ON CAMPUS	825,647	118,559	14.4%	18.0%	150,000	(4,958)	(415)	\$26.87
<b>FAR WEST TOTAL</b>	<b>1,701,407</b>	<b>200,521</b>	<b>11.8%</b>	<b>15.2%</b>	<b>150,000</b>	<b>21,984</b>	<b>83,319</b>	<b>\$28.43</b>
<b>INNER LOOP</b>								
OFF CAMPUS	1,520,416	224,446	14.8%	19.4%	-	5,378	18,319	\$30.83
ON CAMPUS	421,706	184,294	43.7%	45.2%	-	(5,558)	1,169	\$26.22
<b>INNER LOOP TOTAL</b>	<b>1,942,122</b>	<b>408,740</b>	<b>21.0%</b>	<b>25.0%</b>	<b>-</b>	<b>(180)</b>	<b>19,488</b>	<b>\$28.81</b>
<b>NEAR NORTH</b>								
OFF CAMPUS	1,270,458	314,057	24.7%	36.9%	-	30,306	3,860	\$20.22
ON CAMPUS	-	-	-	-	-	-	-	-
<b>NEAR NORTH TOTAL</b>	<b>1,270,458</b>	<b>314,057</b>	<b>24.7%</b>	<b>36.9%</b>	<b>-</b>	<b>30,306</b>	<b>3,860</b>	<b>\$20.22</b>
<b>NEAR SOUTHWEST</b>								
OFF CAMPUS	817,190	41,990	5.1%	5.5%	-	114,520	155,979	\$21.56
ON CAMPUS	612,630	148,642	24.3%	32.1%	-	(18,756)	(18,006)	-
<b>NEAR SOUTHWEST TOTAL</b>	<b>1,429,820</b>	<b>190,632</b>	<b>13.3%</b>	<b>16.9%</b>	<b>-</b>	<b>95,764</b>	<b>137,973</b>	<b>\$21.56</b>
<b>NEAR WEST</b>								
OFF CAMPUS	1,663,302	188,889	11.4%	13.1%	-	2,597	100,397	\$24.04
ON CAMPUS	2,174,971	204,442	9.4%	13.2%	-	(31,448)	(23,704)	\$30.34
<b>NEAR WEST TOTAL</b>	<b>3,838,273</b>	<b>393,331</b>	<b>10.2%</b>	<b>13.2%</b>	<b>-</b>	<b>(28,851)</b>	<b>76,693</b>	<b>\$27.54</b>
<b>NORTHEAST</b>								
OFF CAMPUS	1,034,034	92,962	9.0%	11.9%	50,000	(1,304)	(4,652)	\$26.72
ON CAMPUS	239,098	79,670	33.3%	33.3%	-	-	(1,737)	\$29.96
<b>NORTHEAST TOTAL</b>	<b>1,273,132</b>	<b>172,632</b>	<b>13.6%</b>	<b>15.8%</b>	<b>50,000</b>	<b>(1,304)</b>	<b>(6,389)</b>	<b>\$28.17</b>

**HOUSTON MEDICAL OFFICE MARKET INDICATORS**

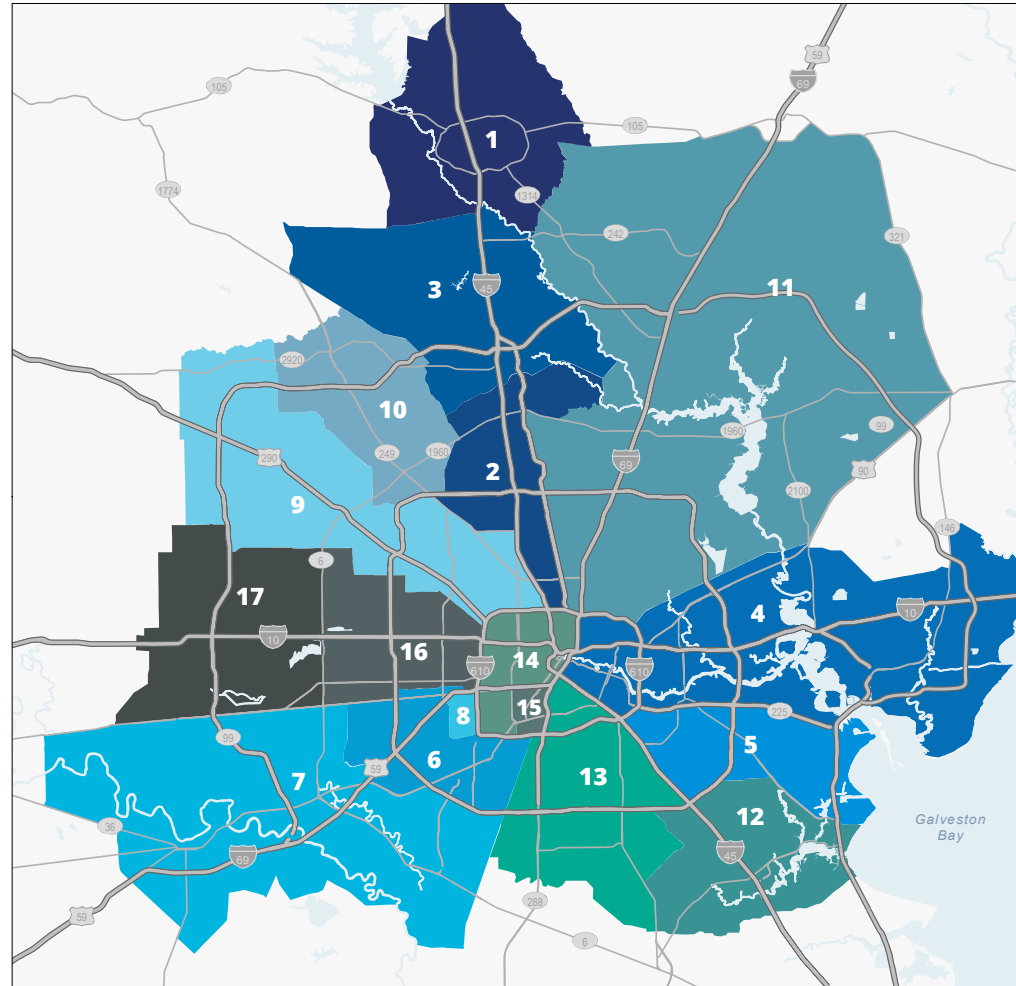
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<b>PASADENA</b>								
OFF CAMPUS	505,525	63,882	12.6%	13.3%	-	11,062	39,266	\$21.82
ON CAMPUS	84,655	9,226	10.9%	10.9%	-	-	714	\$26.77
<b>PASADENA TOTAL</b>	590,180	73,108	12.4%	12.9%	-	11,062	39,980	\$22.48
<b>SOUTH</b>								
OFF CAMPUS	657,336	103,841	15.8%	15.7%	28,000	5,599	70,050	\$26.69
ON CAMPUS	261,425	52,314	20.0%	28.7%	48,648	(9,133)	(9,393)	\$33.20
<b>SOUTH TOTAL</b>	918,761	156,155	17.0%	19.7%	76,648	(3,534)	60,657	\$32.36
<b>SUGAR LAND</b>								
OFF CAMPUS	1,273,397	247,104	19.4%	26.8%	135,000	(23,466)	(4,215)	\$29.59
ON CAMPUS	1,073,061	91,631	8.5%	8.9%	-	7,447	14,372	\$27.54
<b>SUGAR LAND TOTAL</b>	2,346,458	338,735	14.4%	19.0%	135,000	(16,019)	10,157	\$29.08
<b>THE WOODLANDS</b>								
OFF CAMPUS	1,419,289	166,219	11.7%	16.0%	85,629	7,995	52,329	\$33.44
ON CAMPUS	1,223,058	84,211	6.9%	12.2%	135,000	(9,317)	(5,727)	\$36.13
<b>THE WOODLANDS TOTAL</b>	2,642,347	250,430	9.5%	14.2%	220,629	(1,322)	46,602	\$34.24
<b>TMC</b>								
OFF CAMPUS	2,326,562	273,289	11.7%	18.2%	38,907	2,107	15,386	\$37.43
ON CAMPUS	4,641,472	517,712	11.2%	14.1%	-	(26,259)	(69,048)	\$36.57
<b>TMC TOTAL</b>	6,968,034	791,001	11.4%	15.5%	38,907	(24,152)	(53,662)	\$36.85
<b>TOMBALL</b>								
OFF CAMPUS	782,546	97,962	12.5%	14.1%	165,000	16,120	(26,392)	\$24.86
ON CAMPUS	294,657	6,365	2.2%	2.9%	-	-	12,012	\$38.25
<b>TOMBALL TOTAL</b>	1,077,203	104,327	9.7%	11.4%	165,000	16,120	(14,380)	\$25.93

**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](http://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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