



Houston CBD Office Market

Buildings Surveyed

<u>Buildings</u>	<u>Number</u>	<u>Rentable Sq. Ft.</u>
"Group 1"	6	8,141,001
"Group 2"	11	11,696,091
"Group 3"	<u>14</u>	<u>7,199,125</u>
TOTAL	31	27,036,217

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Summary Data - January 1, 1995

<i>Rentable Area / Bldgs</i>	<i>27,036,217</i>	<i>31</i>
	<u>Year End 1994</u>	<u>Year End 1993</u>
Direct Space Available	3,958,149	4,908,397
Percent Vacant	14.64%	18.15%
Absorption	950,248	(646,891)
Leasing Activity	3,467,241	3,039,330
Sublease Available	750,000	458,419

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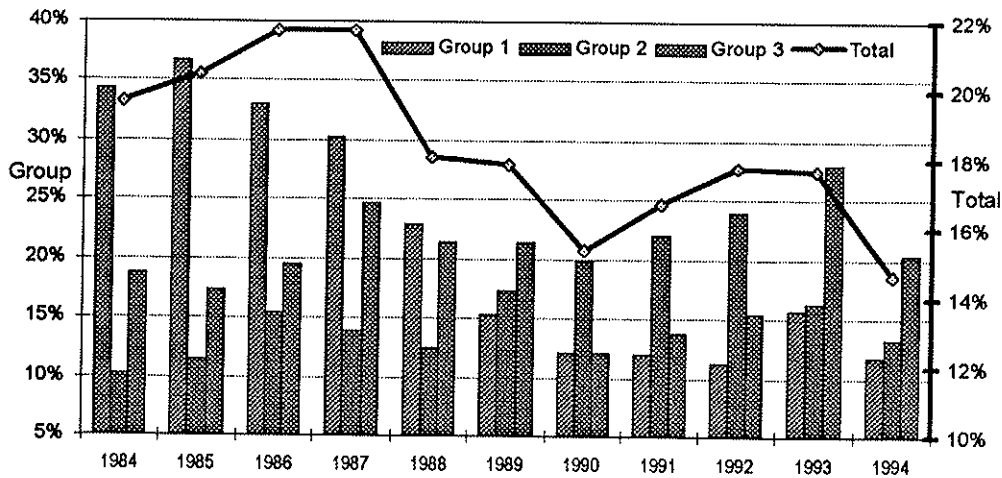
Direct Space Available / Vacancy Rates

Buildings	Direct Space Available		Vacancies	
	1994	1993	1994	1993
"Group 1"	954,540	1,273,530	11.73%	15.64%
"Group 2"	1,543,138	2,075,565	13.19%	17.75%
"Group 3"	1,460,471	1,559,302	20.29%	21.66%
TOTAL	3,958,149	4,908,397	14.64%	18.15%

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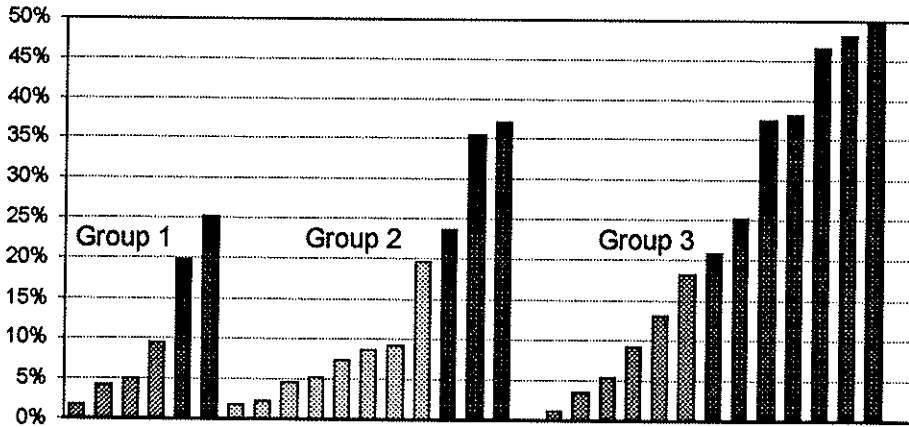
Historical Vacancies



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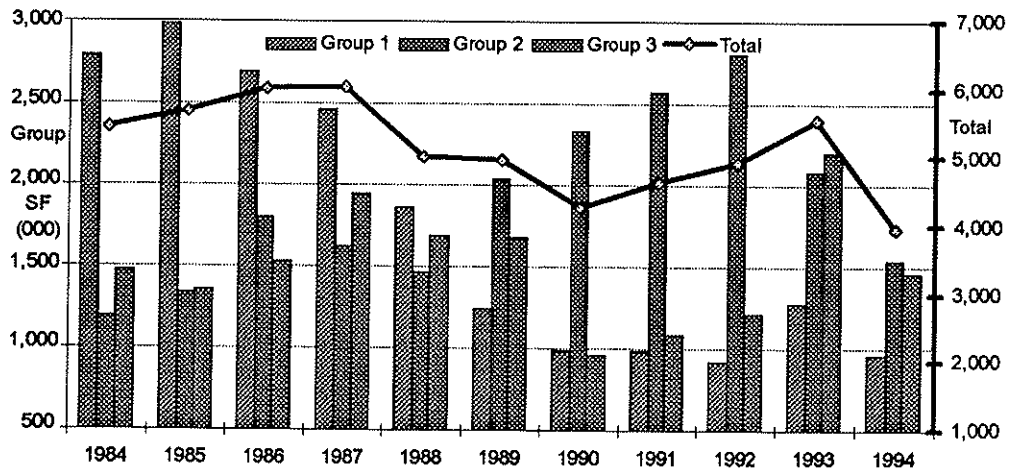
Current Vacancies - By Building



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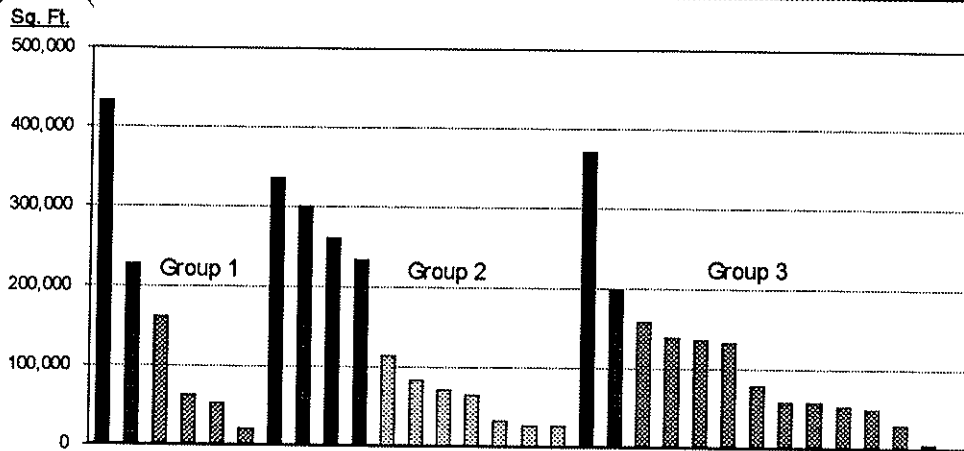
Historical Space Available



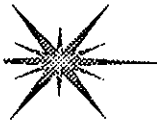
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Space Available - By Building



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Effective Blocks of Space

<u>Building</u>	<u>Sq. Ft.</u>	<u>Fhrs</u>
1415 Louisiana (Exxon)	300,000	
Two Allen Ctr (Enron)	250,000	
1201 Louisiana	200,000	4-12
First City Tower	172,200	39-45
Bank One Center	155,705	21-24
MW Kellogg (Exxon)	150,000	12-15
4 Hou. Ctr (Am Explo)	133,000	8-9
1/2 Hou. Ctr (Bank One)	128,000	P3,4-5
Bank One Ctr (Bank One)	119,000	2-4
First City Tower	114,800	2-5
One Allen Center	108,000	5-8
1301 Fannin	104,000	18-21
1600 Smith (Shell)	100,000	
1 Houston Center	96,728	43-46

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Number of Choices - Direct Space

<u>Buildings</u>	<u>Full Floor</u>	<u>Two Floors</u>	<u>100,000 Sq. Ft.</u>	<u>Total Floors</u>
"Group 1"	6	3	1	23
"Group 2"	11	6	4	43
"Group 3"	<u>13</u>	<u>8</u>	<u>3</u>	<u>49</u>
TOTAL	30	17	8	115

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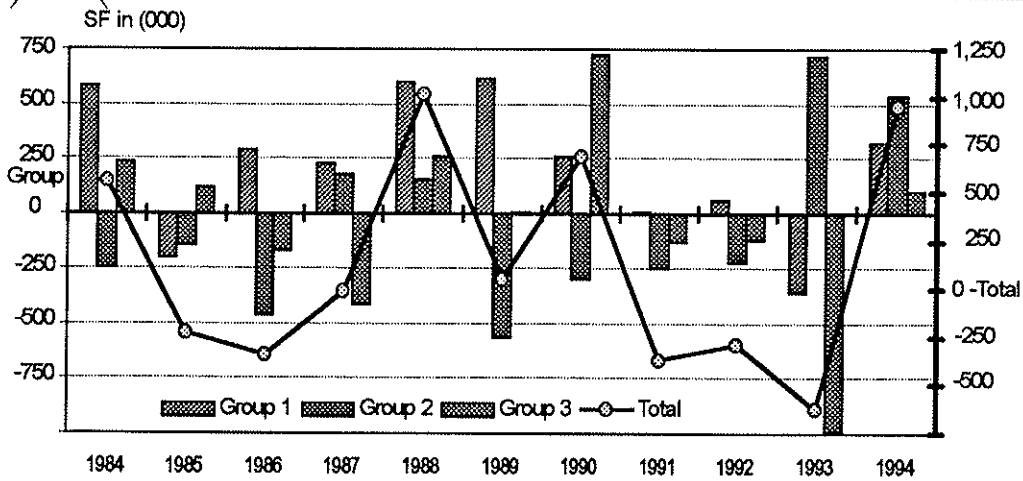
Absorption

<u>Buildings</u>	<u>1994</u>	<u>1993</u>
"Group 1"	318,990	(355,561)
"Group 2"	532,427	175,875
"Group 3"	<u>98,831</u>	<u>(467,205)</u>
TOTAL	950,248	(646,891)

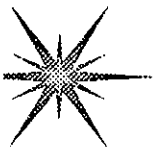
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Historical Absorption

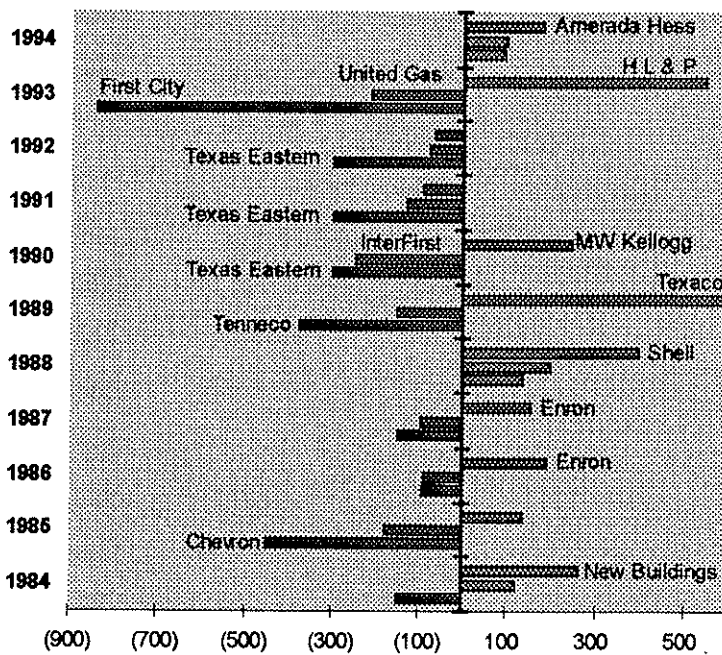


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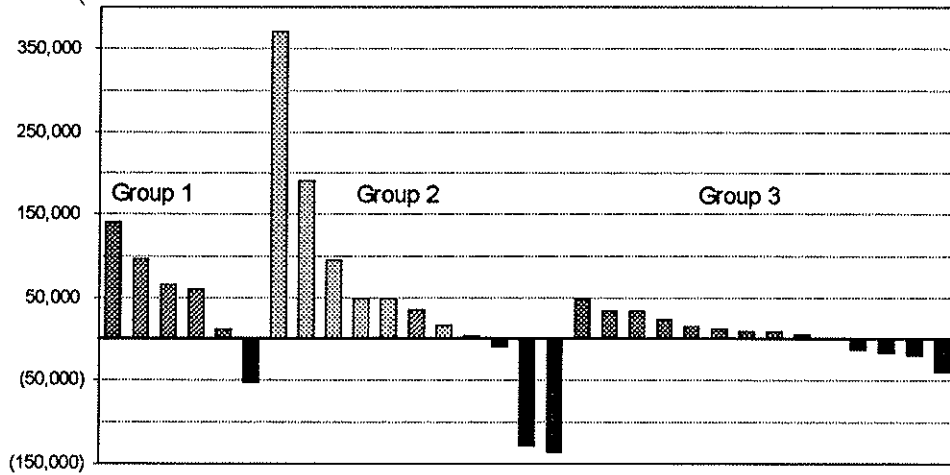
Historical Absorption - Major Events

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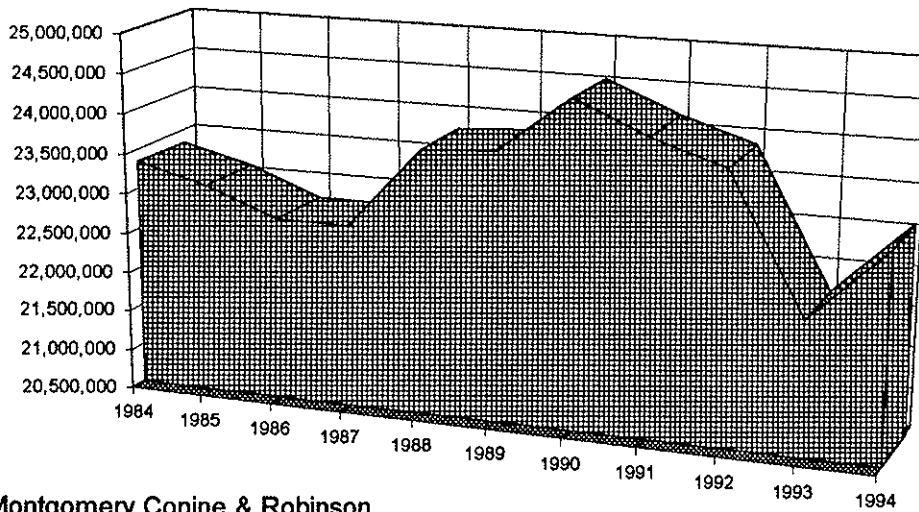
1994 Absorption - By Building



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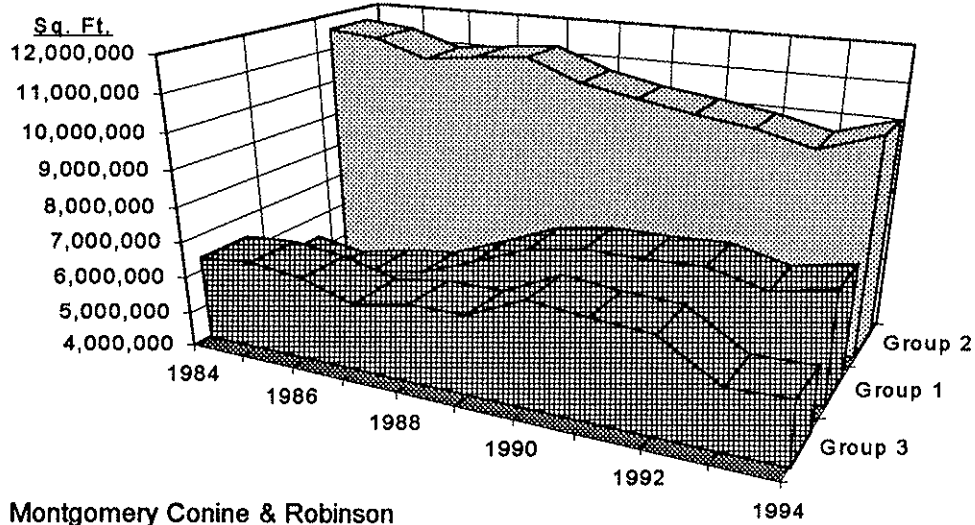


Space Under Lease



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 1984/1995 - Leased Space by Group



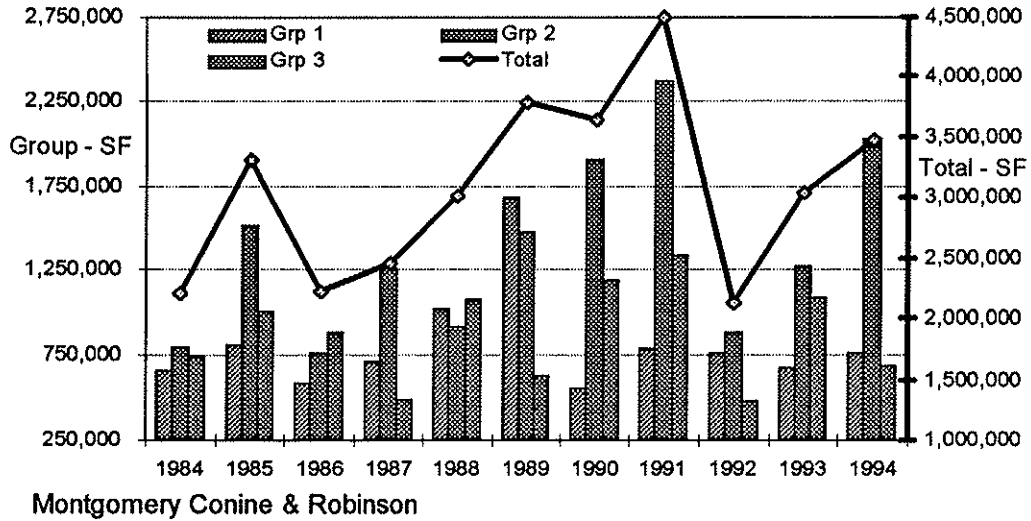
 Leasing Activity

<u>Buildings</u>	<u>1994</u>	<u>1993</u>
"Group 1"	757,444	682,141
"Group 2"	2,022,384	1,271,367
"Group 3"	<u>687,413</u>	<u>1,085,822</u>
TOTAL	3,467,241	3,039,330

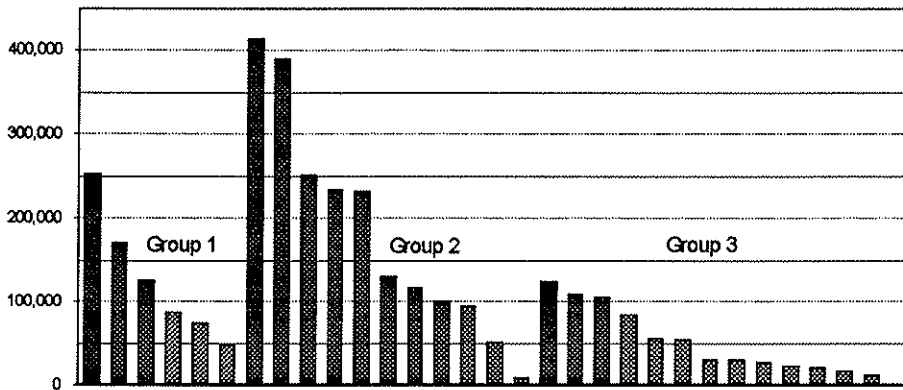
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Historical Leasing Activity

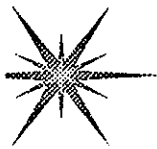
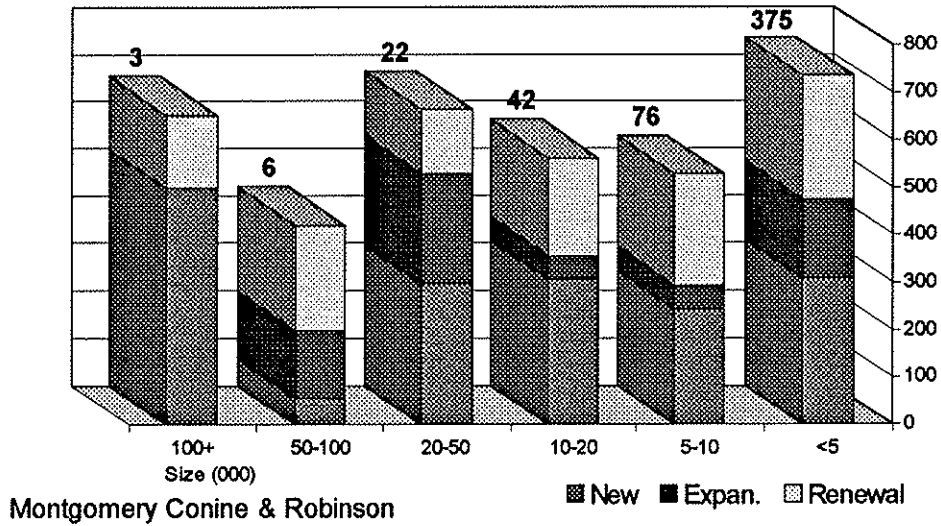


Leasing Activity by Building

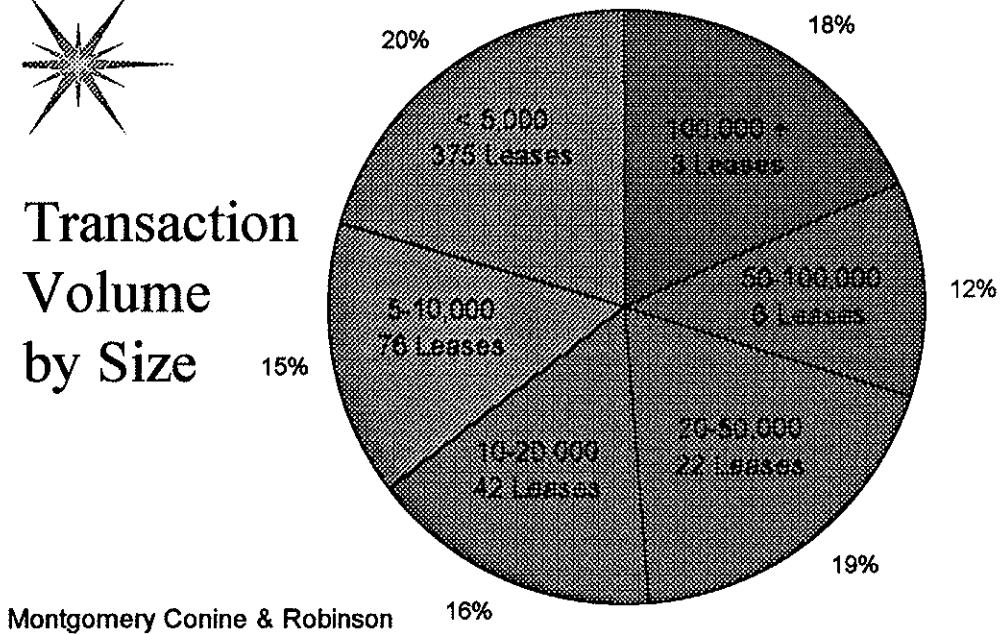




Lease Transactions



Transaction Volume by Size

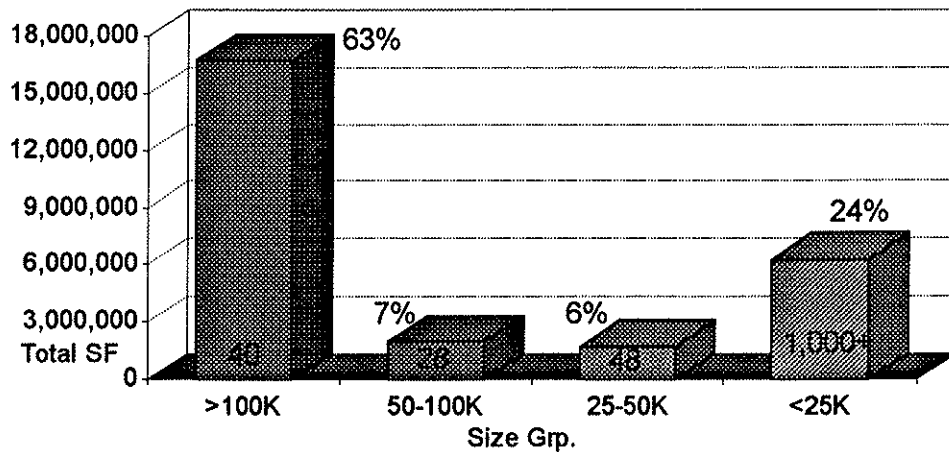


Quadrant Statistics

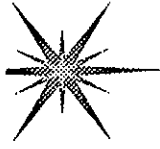
<u>Quadrant</u>	<u>Available</u>	<u>Absorption</u>	<u>Vacant</u>	<u>Leasing</u>
1	1,558,794	459,505	8%	1,566,305
2	782,363	285,169	20%	634,886
3	378,093	44,095	11%	278,770
4	1,238,899	161,479	16%	987,280
Total	3,958,149	950,248	15%	3,467,241

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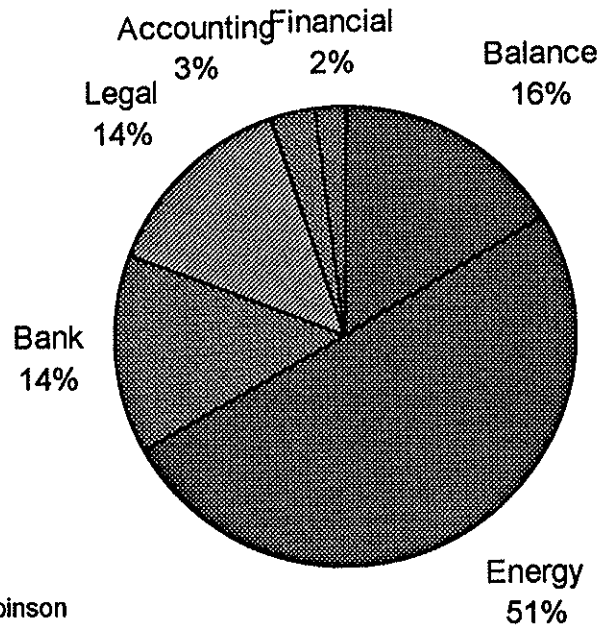
Space Users by Size Group



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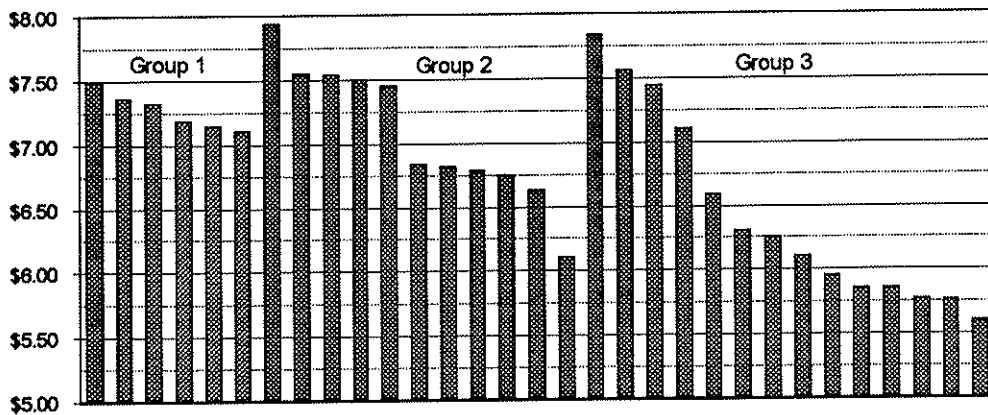
Large Users by Industry



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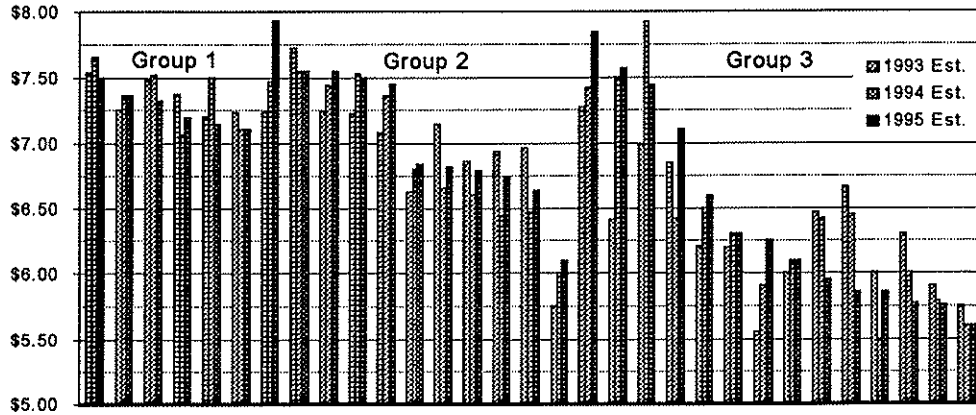
1995 Operating Expense Projections



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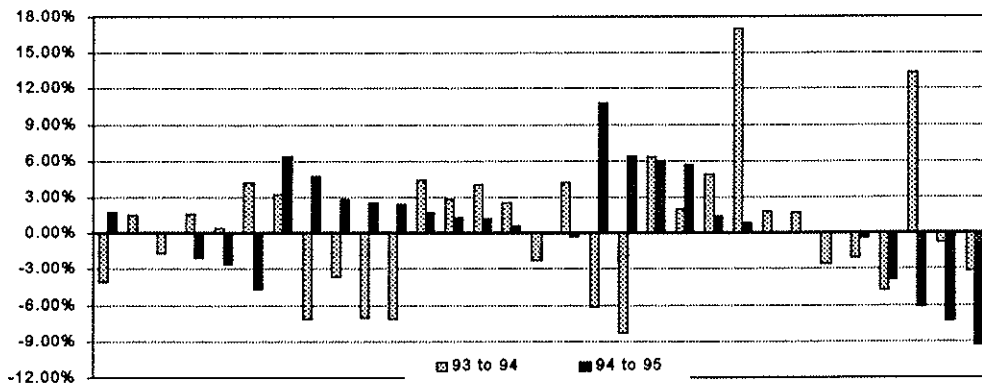
Historical Operating Expenses



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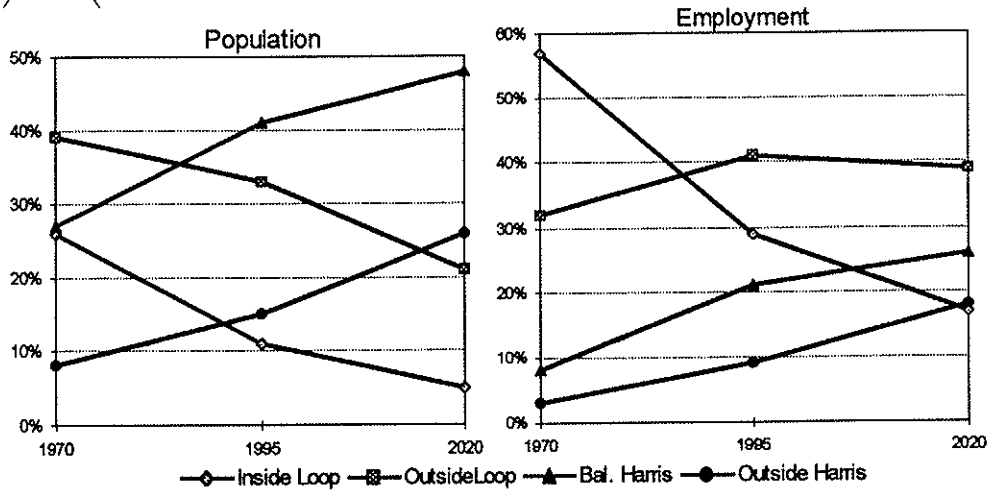
Operating Expense Increases



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Demographic Trends



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1995 And Beyond

- Transition / Sublease Space
- Amenities - Hotel , Bayou Place
- Competition with Suburbs
- Housing
- Energy Companies
- CBD Improvements

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