

THE WOODLANDS | OFFICE

Q2 2015

Accelerating success.

The Woodlands Office Market

Lisa Bridges Director of Market Research | Houston

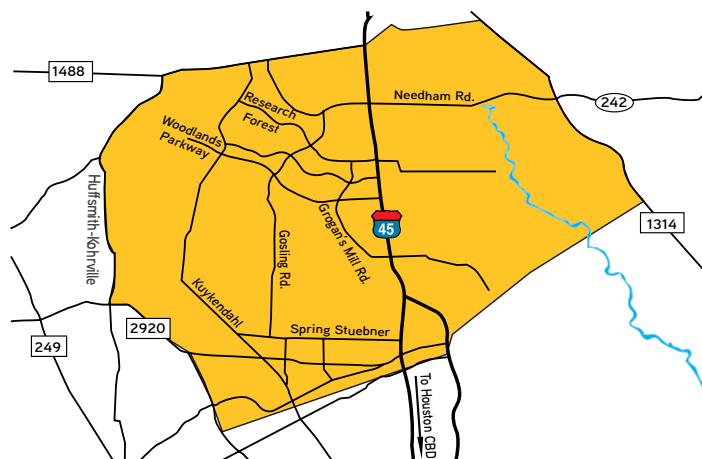
Q2 2015 Submarket Highlights

- ExxonMobil completed its relocation into the new 3.5M SF North Houston campus.
- Three Hughes Landing, a 12-story 321,000-SF Class A office building is currently under construction and is projected to deliver in November 2015.
- Class A rents increased slightly over the quarter while class B rents remained flat.
- Positive net absorption and new supply reflected the continuation of ExxonMobil's relocation into phase III of its new campus.
- Construction activity remains slow as proposed projects are still on hold due to the slump in energy prices.

Office Market Indicators

	Class A	Class B
VACANCY	↑	↑
NET ABSORPTION	↓	↓
CONSTRUCTION	↓	—
RENTAL RATE	↑	—
NEW SUPPLY	↑	—

Woodlands Submarket Map



The Woodlands In The News

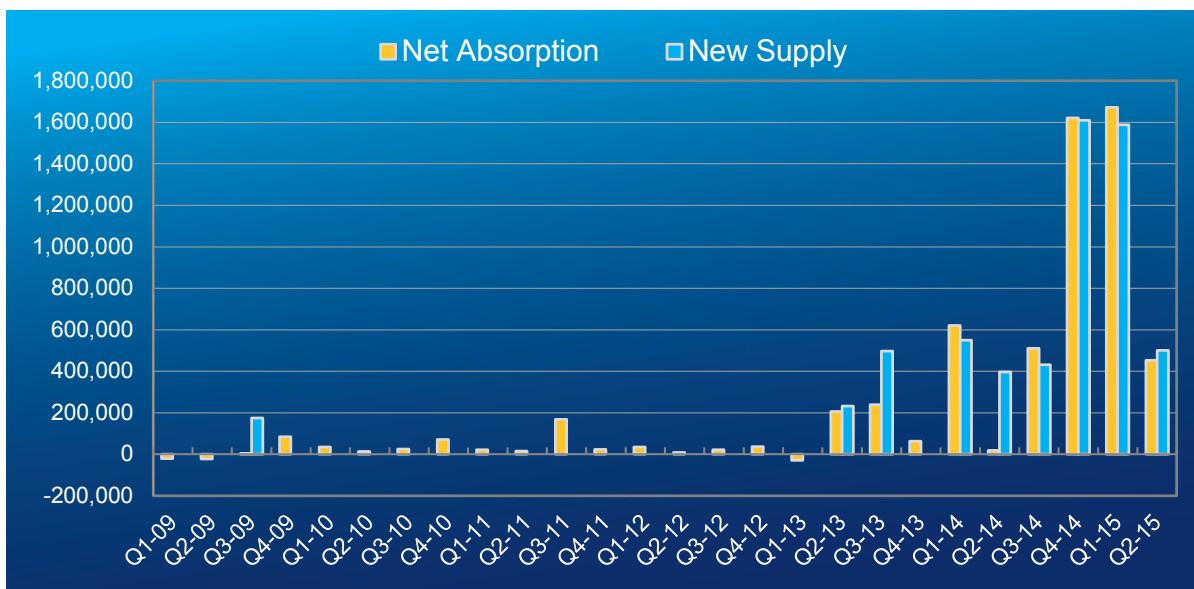
Memorial Hermann recently announced plans for \$25 million worth of expansions and improvements. The new amenities will improve the hospital's heart and vascular, neuroscience, trauma and orthopedics departments.

The Woodlands Summary

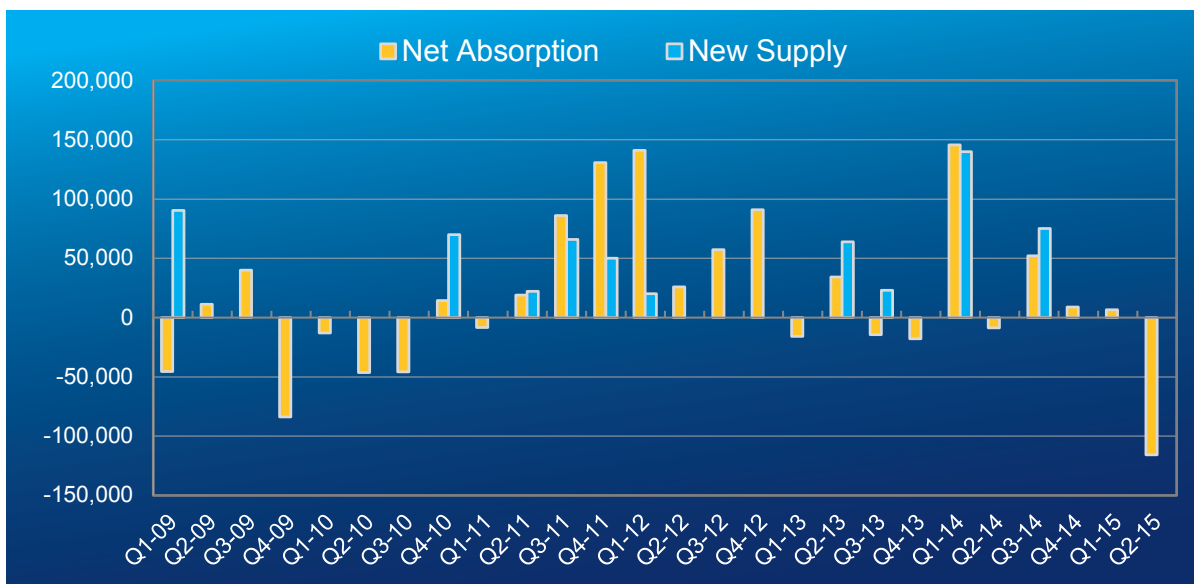
CLASS	INVENTORY		DIRECT VACANCY		SUBLEASE VACANCY		VACANCY	VACANCY RATE (%)		NET ABSORPTION (SF)		RENTAL RATE
	# OF BLDGS.	TOTAL (SF)	(SF)	RATE (%)	(SF)	RATE (%)	TOTAL (SF)	Q2-2015	Q1-2015	Q2-2015	Q1-2015	AVG (\$/SF)
THE WOODLANDS												
A	32	8,891,122	385,151	4.3%	50,940	0.6%	436,091	4.9%	7.1%	1,671,730	1,621,957	\$34.68
B	71	4,353,344	373,792	8.6%	19,963	0.5%	393,755	9.0%	9.1%	2,860	-10,689	\$24.60
C	5	338,038	1,000	0.3%	0	0.0%	1,000	0.3%	0.3%	0	0	\$19.80
Total	108	13,582,504	759,943	5.6%	70,903	0.5%	830,846	6.1%	7.8%	1,674,590	1,611,268	\$29.51

Absorption and New Supply

Woodlands Class A Office

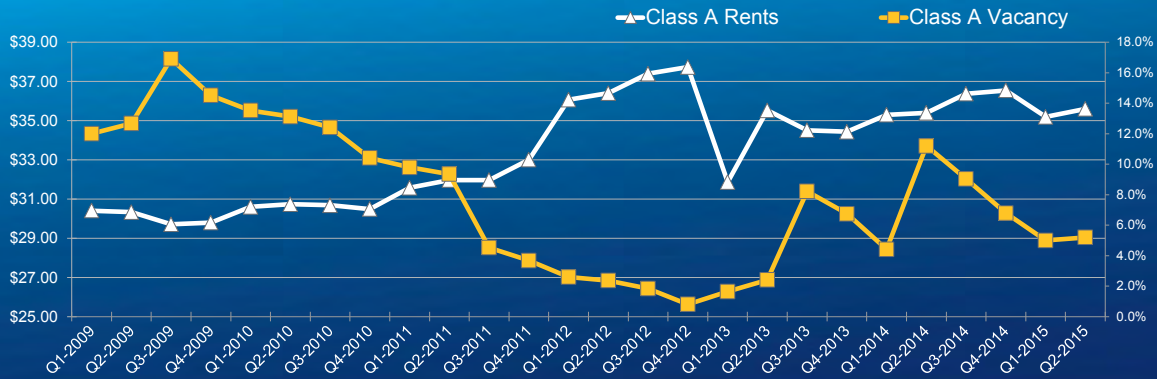


Woodlands Class B Office



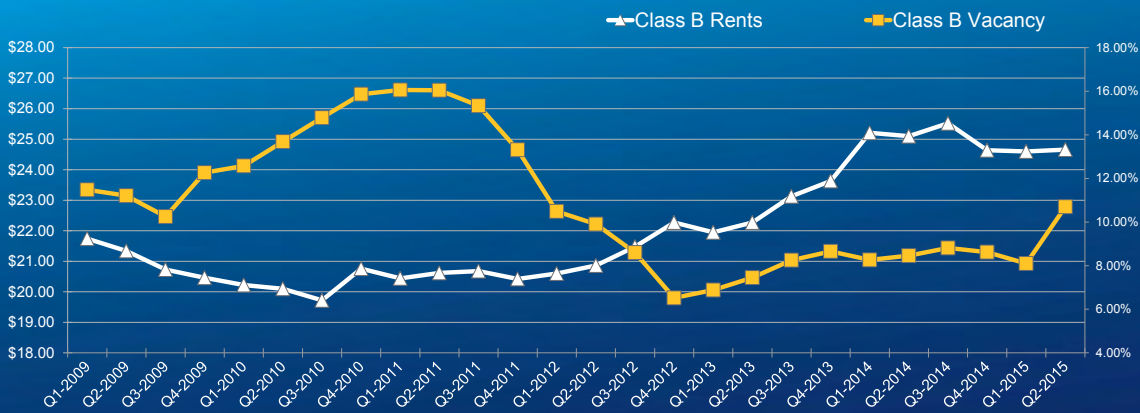
The average quoted rental rates are a mix of direct and sublet rates and are based on a blend of gross and NNN. The graphs below are only intended to show rental rate trends. Actual gross rates are higher than the average rate shown in the graph.

Class A Rental Rate and Vacancy Percentage The Woodlands, TX



*Vacancy percentage includes direct and sublease space.

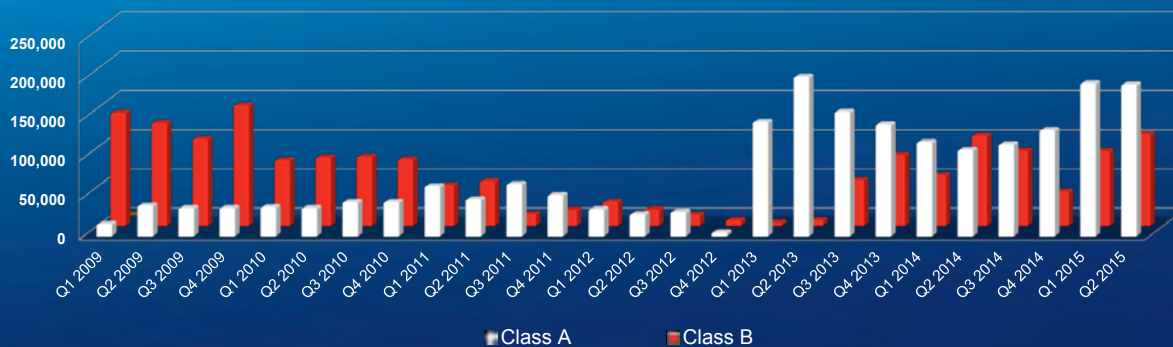
Class B Rental Rate and Vacancy Percentage The Woodlands, TX



*Vacancy percentage includes direct and sublease space.

Available Sublease Space - The Woodlands

**Available Sublease Space
Q2 2015**
Class A: 194,363 SF or 2.0%
Class B: 117,331 SF or 2.5%



502 offices in 67 countries on 6 continents

United States: **140**

Canada: **31**

Latin America: **24**

Asia Pacific: **199**

EMEA: **108**

MARKET CONTACT:

Lisa Bridges
Director of Market Research | Houston
+1 713 830 2125
lisa.bridges@colliers.com

Colliers International | The Woodlands
Two Hughes Landing
1790 Hughes Landing Blvd.
The Woodlands, TX | USA

+1 713 830 4011

\$2.3

billion in
annual revenue



1.7

billion square feet
under management

16,300

professionals
and staff

About Colliers International

Colliers International is a global leader in commercial real estate services, with more than 16,300 professionals operating out of 502 offices in 67 countries. A subsidiary of FirstService Corporation, Colliers International delivers a full range of services to real estate occupiers, owners and investors worldwide, including global corporate solutions, brokerage, property and asset management, hotel investment sales and consulting, valuation, consulting and appraisal services, mortgage banking and insightful research. Colliers International has been recognized and ranked by the International Association of Outsourcing Professionals' Global Outsourcing 100 for 10 consecutive years, more than any other real estate services firm.

colliers.com

Copyright © 2015 Colliers International.

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.