

HOUSTON HEIGHTS

333 Columbia St
Houston, TX 77007



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**CENTURY 21
COMMERCIAL®**

Top Realty

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Retail | Multi-Family | Industrial | Leasing

Redevelopment Opportunity

26,400 Sq Ft Tract

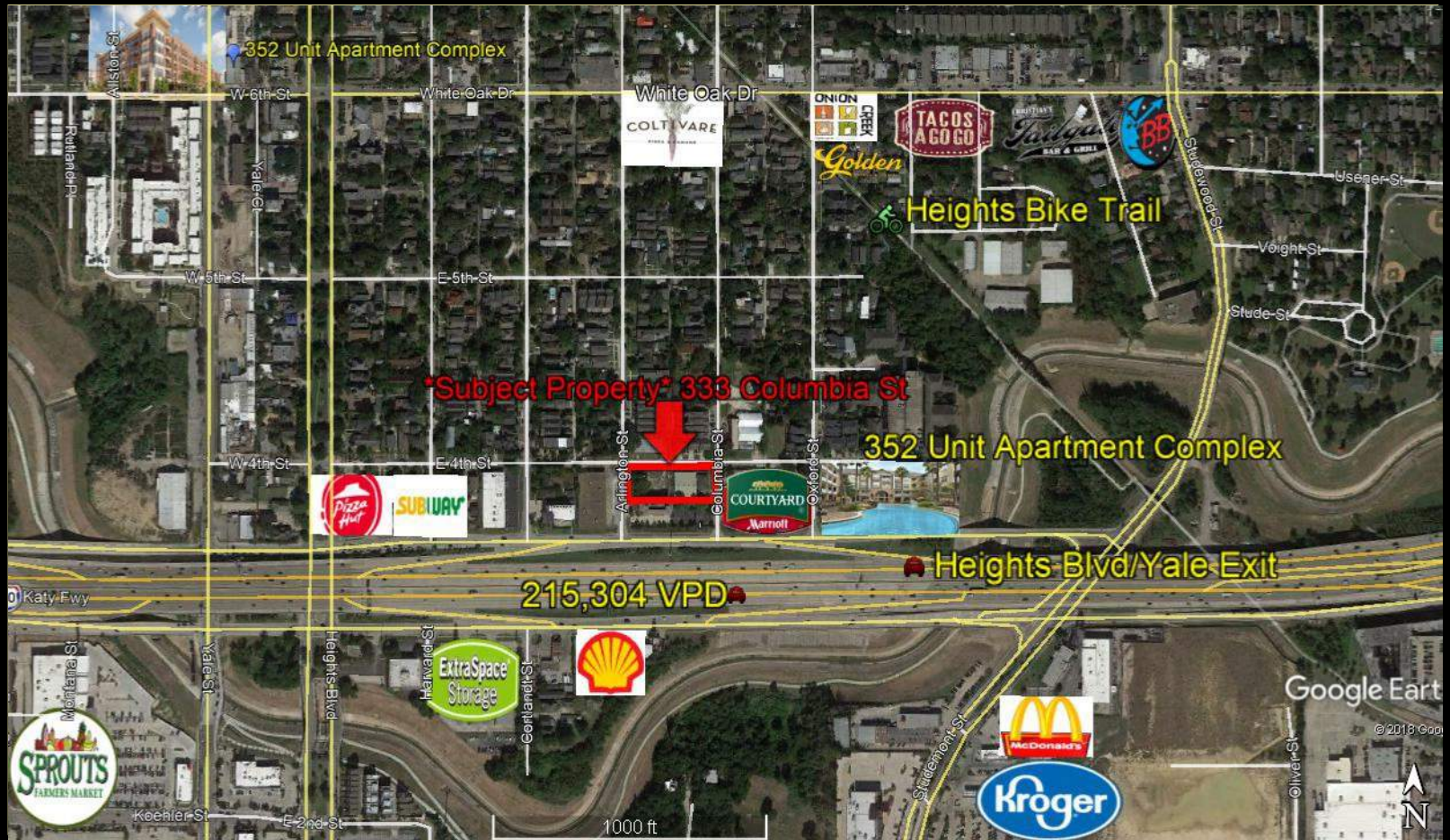
Skyline View

Class A Sub Market

Potential Vertical Development

No Minimum Lot Line Requirement

HOUSTON HEIGHTS



Rare redevelopment opportunity in the Houston Heights! Directly across the street from a nearly complete 8 story Courtyard Marriott Hotel and walking distance from the 352 apartment complex entitled Camden Heights. Conveniently situated just outside of the recent proposed minimum lot line application. Multiple highest and best use cases. Also available for lease.

7,742 SF Warehouse / 1,596 SF Office / Multiple Curb Cuts / Poised for Redevelopment / Ample Parking / Walking Distance From White Oak Drive / Vertical Development or Redevelopment Potential

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HOUSTON HEIGHTS OFFICE MARKET

Overview

North Loop West Office

12 Mo Deliveries in SF

37 K

12 Mo Net Absorption in SF

(137 K)

Vacancy Rate

17.3%

12 Mo Rent Growth

1.8%

The North Loop West Submarket is located northwest of the CBD and within the gentrifying Heights and Oak Forest/Garden Oaks communities. The office submarket boats about 6 million SF, ranking it in the top half of submarkets by size, and accounts for 2% of the metro's total inventory—comparable in size to the West Belt and Katy/Grand Parkway West.

The largest office properties in this submarket are mostly located along the Interstate 610 North Loop, which lends the submarket its name, between the Northwest Freeway (US-290) to the west and N. Shepherd Dr. to the east.

Otherwise, there is a very high concentration of historic single-family homes converted into small office buildings lining Heights Blvd.

As a whole, fundamentals have somewhat improved this cycle. However, the jumping off point of vacancies exceeding 20% at the beginning of the cycle means that limited improvements still leave the submarket in a tough place fundamentally. Three straight calendar years of negative demand have not helped, and vacancies are once again on the rise here.

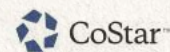
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Gross Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,208,896	40.9%	\$23.52	44.8%	(26,262)	0	110,020
3 Star	3,318,095	12.7%	\$22.64	16.5%	(49,857)	0	0
1 & 2 Star	1,690,505	9.5%	\$23.61	14.3%	(6,663)	0	0
Submarket	6,217,496	17.3%	\$23.08	21.8%	(82,782)	0	110,020

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.7%	15.7%	16.3%	23.1%	2010 Q1	6.1%	2000 Q2
Net Absorption SF	(137 K)	(16,515)	45,201	385,453	2014 Q4	(355,535)	2009 Q4
Deliveries SF	37 K	19,747	56,442	62,104	2003 Q4	0	2017 Q1
Rent Growth	1.8%	1.8%	1.4%	9.1%	2014 Q3	-6.2%	2009 Q4
Sales Volume	\$3.1 M	\$22.7M	N/A	\$99.9M	2016 Q1	\$0	2010 Q3



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HOUSTON HEIGHTS MULTI-FAMILY MARKET

Overview

Heights Multi-Family

12 Mo. Delivered Units

0

12 Mo. Absorption Units

173

Vacancy Rate

7.4%

12 Mo. Asking Rent Growth

1.9%

The Heights is a hot multifamily submarket exhibiting significant demand in an area that has uncharacteristically high barriers to entry for new development in comparison to the greater metro area. The submarket has seen significant development this cycle, including new and redeveloped retail along White Oak Drive, Yale Street, Heights Boulevard, 19th Street, N Shepherd Drive, and N Durham Drive. This has made the Heights even more attractive to new renters and homeowners. Combined with a strict homeowners association preserving the area's historic districts and

limited land for new development, this has kept the area's multifamily vacancy rate low by metro standards. This explains why, even though the area is hot for investment, multifamily inventory here remains one of the smallest among Houston submarkets. Moreover, the Heights' demographics continue to strengthen as the area gentrifies, welcoming droves of young professionals and young families. These market forces shaping the Heights should keep it an attractive multifamily submarket for the foreseeable future.

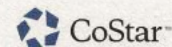
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,558	6.5%	\$1,656	\$1,630	8	0	841
3 Star	2,326	5.9%	\$1,176	\$1,141	2	0	337
1 & 2 Star	1,518	11.9%	\$1,068	\$1,059	(1)	0	0
Submarket	7,402	7.4%	\$1,420	\$1,394	9	0	1,178

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-2.4%	8.7%	9.4%	16.8%	2016 Q4	5.3%	2013 Q2
Absorption Units	173	184	318	736	2016 Q2	(194)	2014 Q3
Delivered Units	0	215	404	1,474	2016 Q2	0	2018 Q4
Demolished Units	0	13	33	175	2014 Q4	0	2018 Q4
Asking Rent Growth (YOY)	1.9%	2.1%	1.2%	8.6%	2008 Q1	-5.2%	2017 Q1
Effective Rent Growth (YOY)	5.1%	2.0%	1.6%	8.6%	2008 Q1	-9.7%	2016 Q4
Sales Volume	\$203 M	\$36.3M	N/A	\$203.0M	2018 Q4	\$0	2017 Q4



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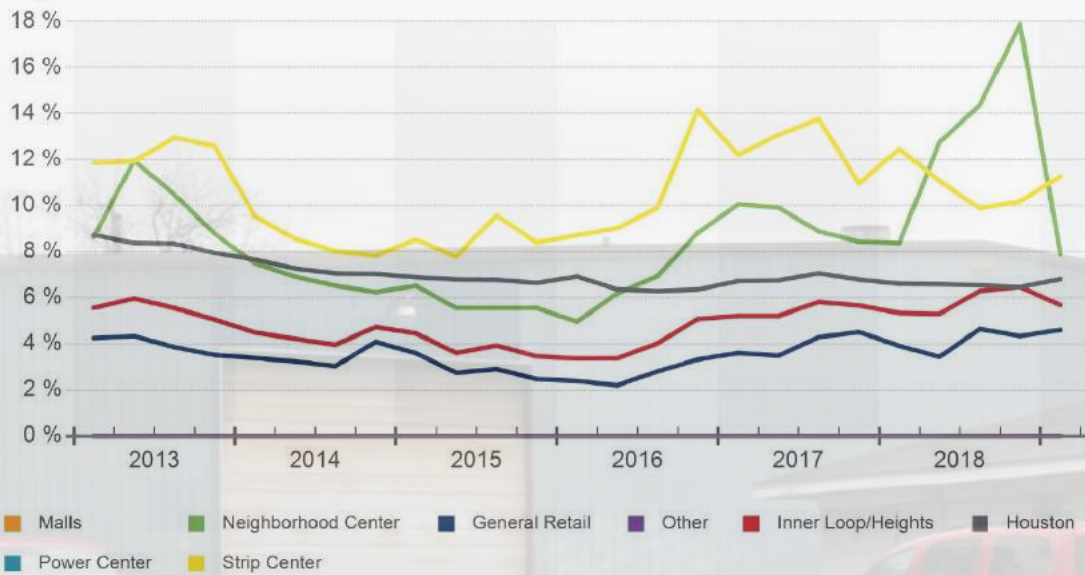
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HOUSTON HEIGHTS RETAIL MARKET

Leasing

Inner Loop/Heights Retail

AVAILABILITY RATE

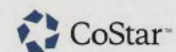


4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	GLA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
2105 Yale St	★★★★★	5,150	1	1,850	0%	0



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Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Buyer/Tenant/Seller/Landlord Initials

Date

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