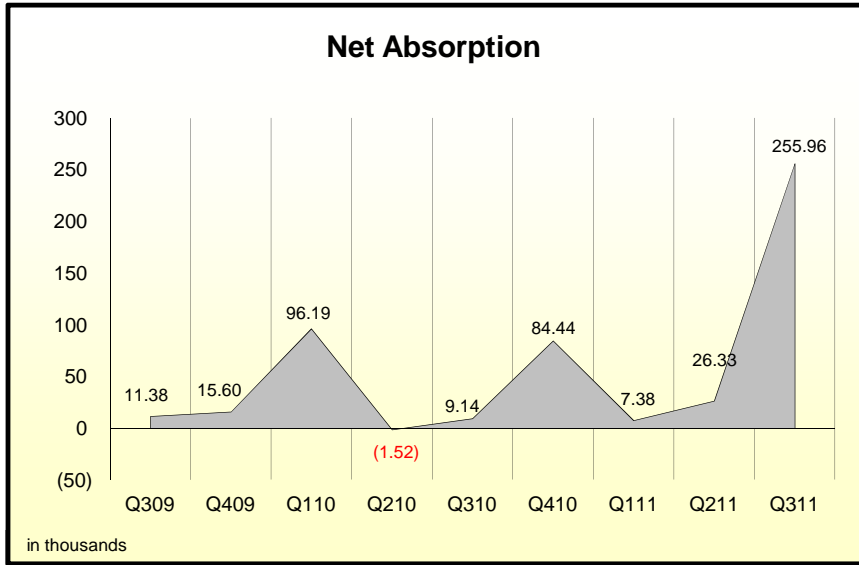


Houston Office Market Snapshot - The Woodlands

Grubb & Ellis Research
Third Quarter 2011



DRAMATIC INCREASE IN DEMAND The Woodlands posted a record 255,961 square feet of positive net absorption during the third quarter of 2011. This marks eight out of nine quarters that the submarket has seen positive growth. Class A properties posted 170,229 square feet of positive growth, while Class B properties contributed to the demand with 84,819 square feet. Class C properties posted a modest demand of 913 square feet. As a result of the overall demand, vacancy within the submarket fell by 520 basis points to 12.4 percent during the survey period.

OVERALL ASKING RENTS DECLINE Overall full-service asking rent continued its downward descent, falling by \$1.12 to \$22.08 per square foot during the third quarter. Class B properties saw the largest decrease in asking rent, falling by \$1.59 to \$18.88 per square foot. Class A properties also contributed to the decline, falling by \$0.67 to \$27.16 per square foot. However, Class C asking rents rose by \$1.54 to \$17.37 per square foot during the quarter.

COMPANY HEADQUARTERS RELOCATING TO THE WOODLANDS Newfield Exploration Co. is relocating its headquarters to 90,000 square feet in 4 Waterway Square in the Woodlands. About 130 employees are expected to move to the new corporate headquarters site.

