

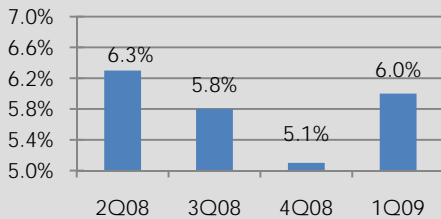


Houston Industrial: Northwest Newsletter

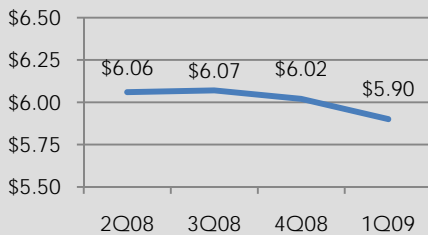
2nd Quarter 2009

STATISTICS

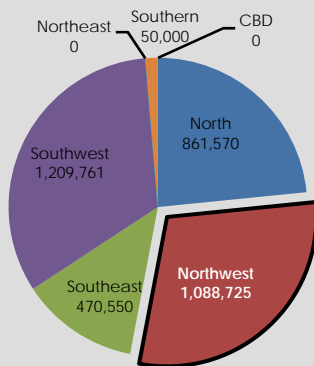
VACANCY



AVERAGE RENTAL RATES



CONSTRUCTION ACTIVITY



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REGIONAL NEWS

What is going on in Northwest Houston?

- Construction activity is down 403,783 square feet from last quarter
- Negative absorption has occurred from last quarter
- Rental rates are continuing to trend down on average
- New development activity has come to a significant halt
- New speculative construction has become rare due to the ever-tightening capital markets
- Sublease vacant space has reached over 1,000,000 square feet city wide, with much of that in the northwest submarket
- The U.S. 290/Hempstead Highway Construction Project has been delayed a few months, but is still slated to begin late 2011
- Tenants are controlling the market with landlords offering a variety of concessions to attract new companies
- Landlords are reaching out sooner to existing tenants for lease renewals and longer commitments

MARKET OUTLOOK: TOTAL EMPLOYMENT GROWTH

Cumulative Growth in Jobs over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	5.30%	8.20%	-2.90%
Chicago	1.60%	6.40%	-4.80%
Dallas/Ft Worth	5.10%	7.70%	2.60%
Denver	5.10%	5.00%	0.10%
Detroit	-9.20%	1.90%	-11.10%
Houston	9.00%	8.00%	1.00%
Inland Empire (California)	3.20%	26.10%	-22.90%
Los Angeles	-0.20%	2.30%	-2.50%
Northern New Jersey	1.90%	3.70%	-1.80%
Pittsburgh	0.40%	1.50%	-1.10%

Source: Department of Labor, Bureau of Labor Statistics
 Costar Group, Inc.

FREE LEASE ANALYSIS?

Interested in a FREE lease analysis or just wondering where you stand compared to the market? Give Payton or Jeremy a call at **281.240.9090**.



TOPIC OF INTEREST: WORKING WITH A REAL ESTATE BROKER**Why Do You Need a Broker?**

You're about to embark upon a commercial real estate transaction. Why do you need a commercial real estate broker to help you? After all, you know what you need and feel like you're capable of handling your own business decisions, so why should you involve a broker? You use a broker for the same reasons that you call your CPA to handle your financial matters, quarterly filings, and tax preparation and the same reason that you call your

attorney for your legal matters. You seek professional advice in areas that you do not have particular expertise in and do not deal with everyday. In fact, if you lease space you only deal with these issues once every 3, 5, 7, or 10 years. If you are purchasing a building, this may be one of the last real estate decision you make for some time.

An experienced commercial real estate broker can guide you through the myriad of options, details, and value issues that will affect the transaction you are about to undergo. You think, "But if I use a broker, won't it cost me more money?" Building owners budget paying broker commissions for the services provided to tenants. When buying, most properties are either listed with a marketing professional or developer that has a commission already factored into the transaction. If you do not use a broker, this money goes solely to the owner's representative and you are not represented in obtaining the best economic deal. There may be other factors that might adversely affect your intended use or your long term exit strategy.

The following are some of the factors that a business owner or manager will face when pursuing a lease or purchase real estate transaction...

To finish viewing the rest of this article, please visit the Knowledge Base section of our website at www.icotexas.com

SERVICE SPOTLIGHT: TENANT REPRESENTATION - LEASE RENEWAL**Mogen (USA) Office Furniture**

Headquartered in Houston Texas, Mogen (USA) is an exclusive distributor for Mogen brand office furniture in the United States & South America. With 11 factories and more than 2,000 employees, Mogen (USA) can also manufacture custom-made furniture to customer specifications.

MOGEN
OFFICE FURNITURE

Challenge	Solution	Results
<ul style="list-style-type: none"> Identify the best lease option, whether renewal or relocation Accommodate current operational needs and future growth needs Stay in target market area Achieve best possible lease rate and terms 	<ul style="list-style-type: none"> Comprehensive market search of available warehouse options Identify most favorable options and compare to renewal option Determine long term real estate strategy Review current lease terms to establish timeline 	<ul style="list-style-type: none"> Renewal was best option compared to market Successful negotiation of below market lease rate Negotiated office space upgrades from landlord concessions Right of first offer on adjacent space for future growth

To get more information on our Industrial Services

Call at
281.240.9090
or check out
icotexas.com