



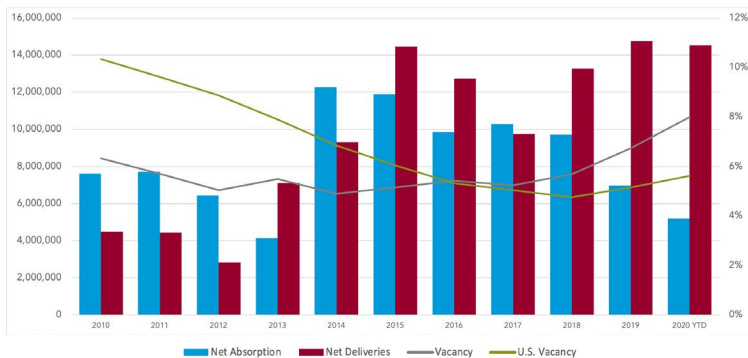
INDUSTRIAL MARKET OVERVIEW

CLINT HANKLA, *Principal*

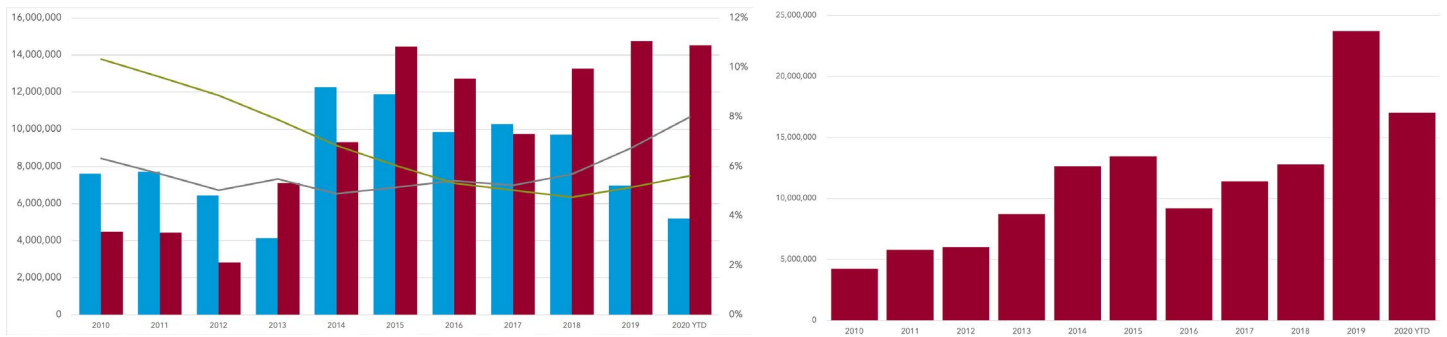
The Houston Market has been tentative, reacting positively and negatively to WTI and Covid 19 with a turbulent recovery on the horizon. Investment and sales transactions are getting done, but leasing in cases have slowed by delay or cancellation. Houston has not yet fully pushed out blocks of sublease space, but we anticipate more in the coming months. Lease up risk is being analyzed much differently by real estate professionals as well as banks, which will affect deal scrutiny for the time being. With the PPP loan program being spent by its recipients by now, one should expect more aggressive defensive decision making in Q3.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	9,124,401 SF	9,693,019 SF	6,976,007 SF	6,589,672 SF	9,309,443 SF
▲ Vacancy Rate	8.1%	7.6%	6.7%	6.2%	6.2%
▼ Avg NNN Asking Rate	\$7.30 PSF	\$7.41 PSF	\$7.41 PSF	\$7.44 PSF	\$7.41 PSF
▼ Under Construction	16,718,730 SF	19,418,907 SF	23,724,166 SF	18,481,019 SF	14,576,647 SF
▲ Inventory	667,496,294 SF	662,496,342 SF	652,342,394 SF	648,728,431 SF	644,599,243 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10565 Red Bluff Rd Pasadena, TX	248,240 SF	Undisclosed	Undisclosed Undisclosed	Class A
730 Old Genoa Bluff Rd Houston, TX	170,476 SF	Undisclosed	Hallmark Floors Vigavi Realty, LLC	Class A
9223 Highway 225 La Porte, TX	140,000 SF	Undisclosed	Lineage Logistics New Orleans Cold Storage & Whrse	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4300 Malone Dr Pasadena, TX	183,289 SF	Carson Companies	China Manufacturers Alliance	Manufacturing
703 Logistics Drive South Baytown, TX	133,333 SF	National Property Holdings LP	A&R Logistics	Personal Services
16605 Air Center Blvd Houston, TX	114,400 SF	Prologis	Nacc Disaster Services	Personal Services