



INDUSTRIAL MARKET OVERVIEW

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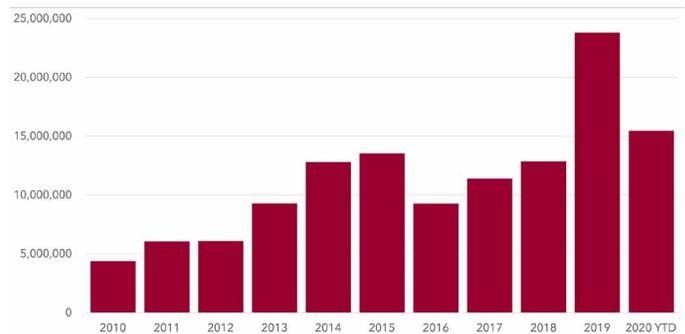
Houston's economy is on the road to recovery having regained 1/3 of the jobs that were lost since the onset of COVID-19. However, there is looming uncertainty as the energy sector waits for oil prices to rebound. Industrial product is facing a two-track performance. Manufacturing remains weak as oil prices remain low and rig counts are decreasing. Long-term outlook for the logistics sector is strong due to ecommerce continuing to grow, continued activity at the Port of Houston, and companies working to solidify their supply chain networks having faced COVID-19 related stresses.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▲ Net Absorption	10,838,011 SF	10,777,780 SF	10,089,547 SF	7,705,584 SF	6,895,963 SF
▲ Vacancy Rate	8.4%	8.1%	7.6%	6.6%	6.5%
▲ Avg NNN Asking Rate	\$7.38 PSF	\$7.37 PSF	\$7.42 PSF	\$7.40 PSF	\$7.42 PSF
▲ Under Construction	17,650,731 SF	17,269,586 SF	19,710,131 SF	23,794,338 SF	19,754,107 SF
▲ Inventory	676,148,318 SF	671,953,390 SF	664,882,826 SF	654,677,935 SF	651,015,553 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11177 Compaq Center Dr W Houston, TX	245,094 SF	-	Mexcor, Inc. SG Interests	Class B
28420 West Ten Blvd Katy, TX	238,000 SF	-	Stonelake Capital Partners UBS Realty Investors, LLC	Class A
6500 Brittmoore Rd Houston, TX	158,700 SF	-	Adkisson Development Keppel Letourneau	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8833 Citypark Loop Houston, TX	254,160 SF	CenterPoint Properties	DHL	Transportation and Warehousing
625 Independence Pky Deer Park, TX	252,203 SF	Molto Properties	S.I. Warehousing Company	Transportation and Warehousing
560 E Richey Rd Houston, TX	156,505 SF	Prologis, Inc.	MiTek	Manufacturing

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