



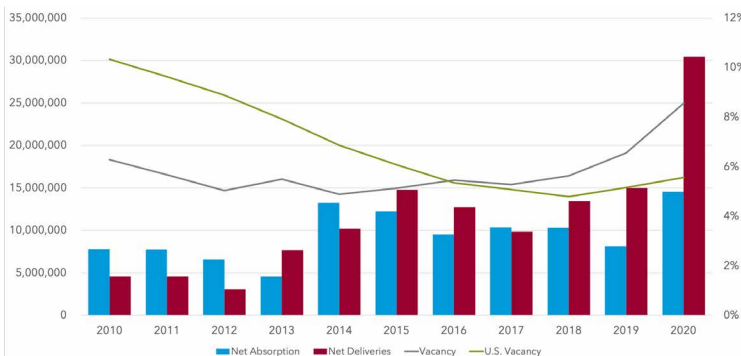
INDUSTRIAL MARKET OVERVIEW

ROBERT MCGEE, *Principal*

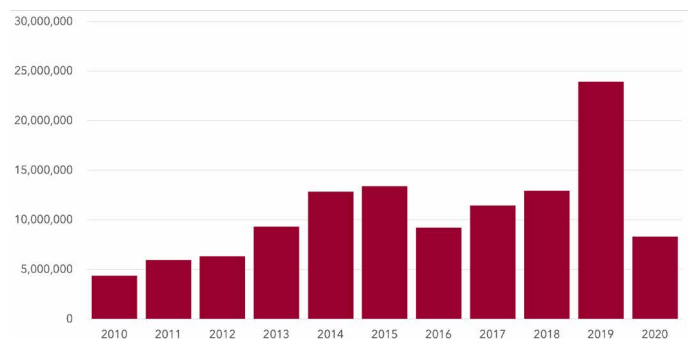
The fourth quarter was the closest to normalcy since the pandemic began. Nearly 43% of 2020's net absorption (on speculative distribution space excluding design build and build-to-suits) came in the last three months. Deals put on hold for the previous two quarters finally started to land. News of the vaccine and improving economic signs lifted confidence as 26 million SF was delivered during the year. New construction starts also slowed, which will provide some time to balance the market by absorbing more space before delivery of an additional 6 million SF currently under construction. Vacancy should start to trend lower given the 18 million SF of active requirements largely in the southeast and northwest submarkets.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	14,555,684 SF	11,046,260 SF	11,000,687 SF	10,081,452 SF	8,156,261 SF
◀▶ Vacancy Rate	8.6%	8.3%	8.0%	7.5%	6.5%
▼ Avg NNN Asking Rate	\$7.36 PSF	\$7.42 PSF	\$7.39 PSF	\$7.43 PSF	\$7.41 PSF
▲ Under Construction	8,314,227 SF	16,154,337 SF	16,392,429 SF	19,972,542 SF	23,925,197 SF
◀▶ Inventory	687,818,285 SF	678,915,619 SF	674,620,401 SF	667,215,677 SF	657,093,202 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
31819 Highway 90 E Brookshire, TX	1,016,000 SF	Undisclosed	Exan Capital LLC Duke Realty Corporation	Class A
22525 Clay Road Kathy, TX	805,601 SF	Undisclosed	Undisclosed	Class A
7703 Sam Houston Pky W Houston, TX	770,640 SF	\$72,594,374.00 \$94.20 PSF	Kohlberg Kravis Roberts & Co. L.P. Hines	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10629 Red Bluff Rd - Building 10 Pasadena, TX	784,000 SF	Principal Financial Group, Inc.	Dunavant Distribution Group	Transportation Services
4501 Blalock Road Houston, TX	401,280 SF	Prologis, Inc.	HEB	Retailer
Fallbrook Pines, Building 6 Houston, TX	368,467 SF	Trammell Crow/Clarion	Amazon	Retailer

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