



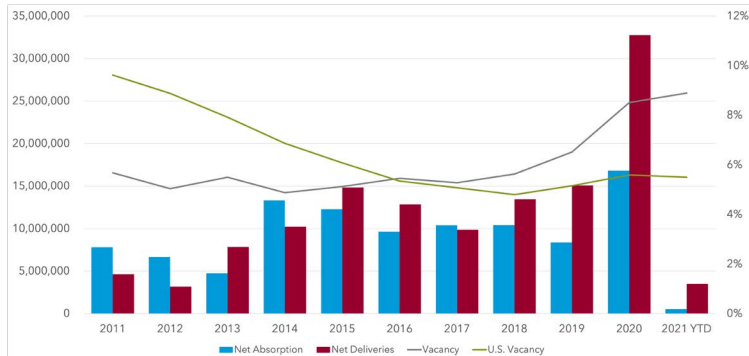
### INDUSTRIAL MARKET OVERVIEW

ROBERT MCGEE, *Principal*

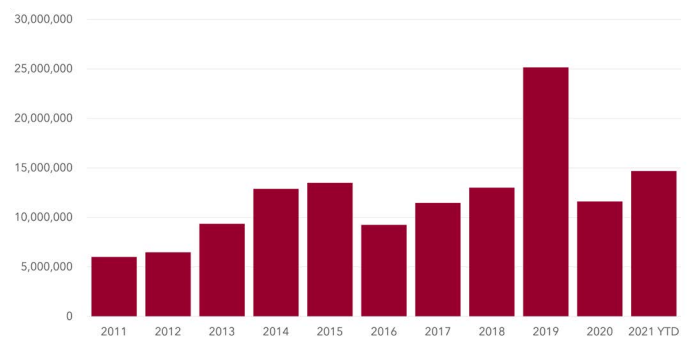
The increase in absorption seen in Q4 2020 continued to gain momentum throughout Q1 2021. Deals are being executed at a rapid pace as the market continues to absorb a substantial supply in new construction delivered over 2020. Consumer durables, 3PL's, and e-commerce are playing the largest roles in the market currently. Rooms to Go signed the largest of leases during the Q1 on 498,231 SF in the Far West Submarket, followed by one of Amazon's Q1 deals in the NW Submarket for 368,467 SF, and lastly 4PX Express for 347,730 SF in SW Houston. Continuing on that note are a handful of larger deals expected to close in the very near future on speculative construction that will further shore up the increased inventory of new construction.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	14,307,994	16,827,159	13,119,849	12,214,152	10,665,906
▲ Vacancy Rate	8.80%	8.50%	8.30%	8.00%	7.50%
▼ Avg NNN Asking Rate	\$7.37 PSF	\$7.41 PSF	\$7.45 PSF	\$7.41 PSF	\$7.45 PSF
▲ SF Under Construction	14,696,855	11,605,038	16,857,899	17,991,246	21,567,007
▲ Inventory SF	694,575,144	691,016,829	681,853,870	676,683,028	668,851,912

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
22525 Clay Road Katy, TX	805,601 SF	Undisclosed	Walter Street Capital, LLC Duke Realty Corporation	Class A
8800 Citypark Loop Houston, TX	663,821 SF	\$42,000,000 \$63.27 PSF	Sealy & Company First Industrial Realty Trust	Class B
3507 Pasadena Blvd Pasadena, TX	601,261 SF	Undisclosed	CenterPoint Properties The Blackstone Group, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1006 Jordan Ranch Blvd Brookshire, TX	498,231 SF	Phelan Development Company	Rooms To Go	Furniture
9155 Derrington Road Houston, TX	368,467 SF	Trammell Crow Company	Amazon	E-commerce
5880 W Fuqua Street Houston, TX	347,730 SF	TA Realty	4PX Express USA	E-commerce

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