



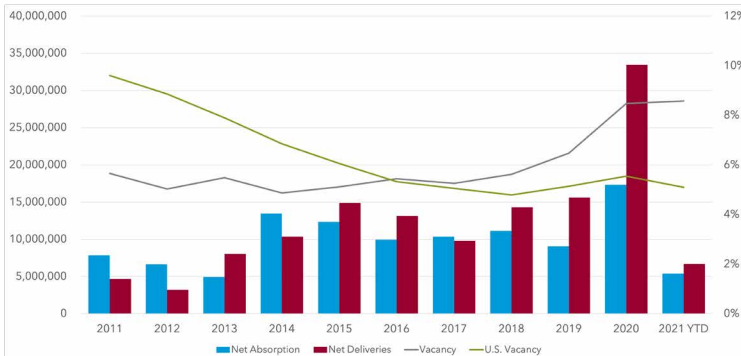
INDUSTRIAL MARKET OVERVIEW

ROBERT MCGEE, *Principal*

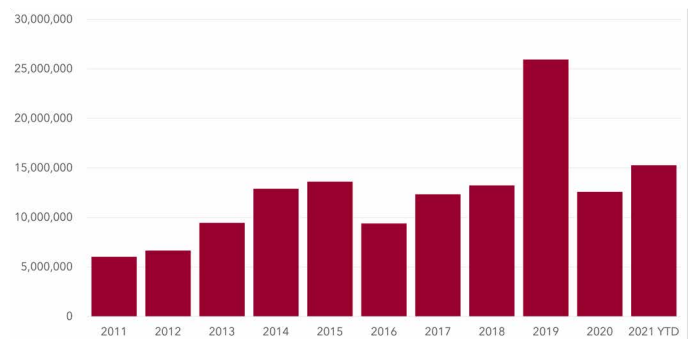
Rent growth likely for Houston given not only construction pricing and land pricing, but mainly tenant activity in our market. In the last 30 days of the 2nd quarter over 5 million square feet of space was leased with 4 deals ranging from 490K SF to 750K SF. Given a slower pace of new construction starts since last year Houston is finally catching up. Quoted rates on recent construction starts are already 7% to 12% higher, and if the demand keeps up it's current pace we will continue to see quoted rates and comps on the rise.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▼ 12 Mo. Net Absorption SF	14,541,774	14,958,708	17,340,108	13,543,856	12,221,224
▼ Vacancy Rate	8.7%	8.8%	8.5%	8.2%	7.9%
▲ Avg NNN Asking Rate PSF	\$7.57	\$7.47	\$7.47	\$7.49	\$7.45
▼ SF Under Construction	15,290,287	15,632,720	12,577,555	17,558,901	18,679,559
▼ Inventory SF	702,994,265	699,890,603	696,323,516	686,684,838	681,089,245

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
359 Old Underwood Road La Porte, TX	900,000 SF	\$80,206,200 \$89.12 PSF	Starwood Real Estate Income Trust Hines	Class A
359 Pike Court La Porte, TX	710,200 SF	\$63,291,600 \$89.12 PSF	Starwood Real Estate Income Trust, Hines	Class A
10591 Red Bluff Road Pasadena, TX	643,118 SF	Undisclosed	AEW Capital Management Panattoni Development Co., Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100 Empire Blvd Brookshire, TX	750,775 SF	Stream	Undisclosed	Undisclosed
18210 Eastex Fwy Humble, TX	685,400 SF	Nuveen Real Estate	Living Spaces Furniture Co	Furniture
4725 E GrandPky S Baytown, TX	643,940 SF	Avera Companies	WebstaurantStore	Resturant Supply

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