



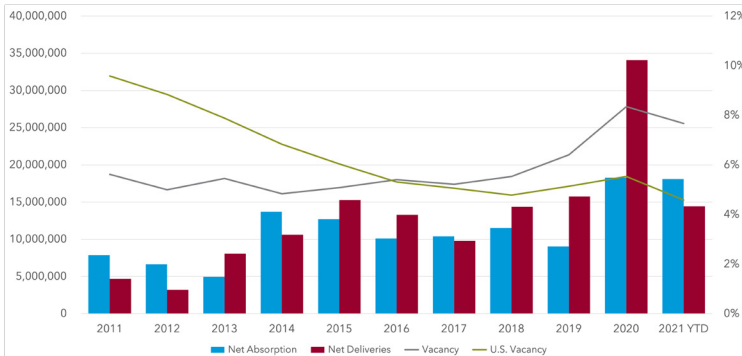
INDUSTRIAL MARKET OVERVIEW

THOMAS LEGER, SIOR, *Principal*

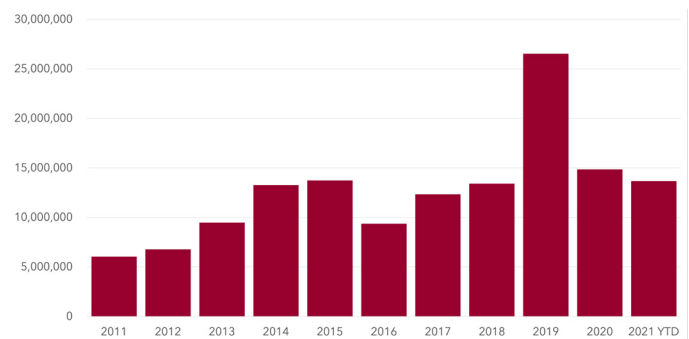
Demand in Houston's industrial market remains solid in Q3. Developers follow suite with nearly 23M SF of proposed construction. The Houston industrial market has been busy. Demand for space on the rise, deals are happening at a much faster pace, tenants making decisions faster, and developers buying sites faster. Chewys.com is coming to Houston with a 690,000 SF build-to-suit at Northpoint 90. Walmart is in the market for over 1.5M SF of space in multiple locations across town. Currently, there is 11.8M SF of space under construction and nearly 23M SF of proposed projects around the greater Houston area. If demand continues at its current pace, the vacancy rate will continue to decline as rental rates rise.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	29,946,040	17,125,151	15,943,589	18,273,814	13,759,623
▼ Vacancy Rate	7.7%	8.5%	8.7%	8.3%	8.2%
▲ Avg NNN Asking Rate PSF	\$7.74	\$7.62	\$7.53	\$7.53	\$7.54
▼ SF Under Construction	13,667,353	16,202,440	17,726,521	14,845,978	18,812,318
▲ Inventory SF	716,231,164	710,324,789	705,377,854	701,762,931	691,890,741

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11211 FM 2920 Road Tomball, TX	571,148 SF	\$39,500,000 \$69.16 PSF	Tomball Independent School Dist CLMG Corporation	Class B
4414 Hollister Road Houston, TX	234,215 SF	Undisclosed	Frontera Capital Partners Stonelake Capital Partners	Class B
5055 S Loop Freeway East Houston, TX	223,400 SF	\$12,287,000 \$55.00 PSF	Undisclosed Undisclosed	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
501 Commerce Parkway Katy, TX	500,000 SF	EQT Exeter	Crawford Electric	Electric
4851 Sam Houston Parkway Houston, TX	305,016 SF	Investment & Development Ventures	Yokohama Off-Highway Tires	Tire
8903 Warehouse Center Drive Humble, TX	296,106	Logistics Property Com- pany, LLC	Amazon	E-Commerce

