



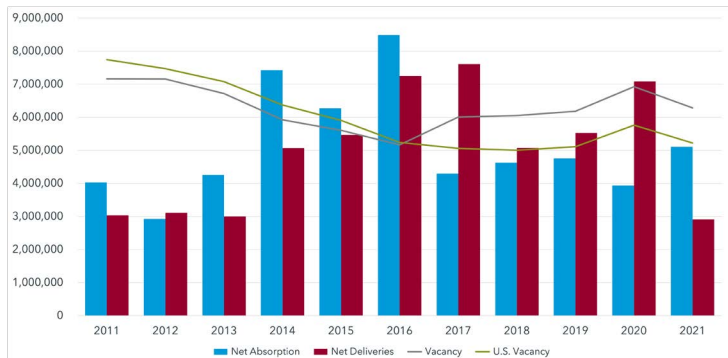
RETAIL MARKET OVERVIEW

GRANT WALKER, *Senior Director*

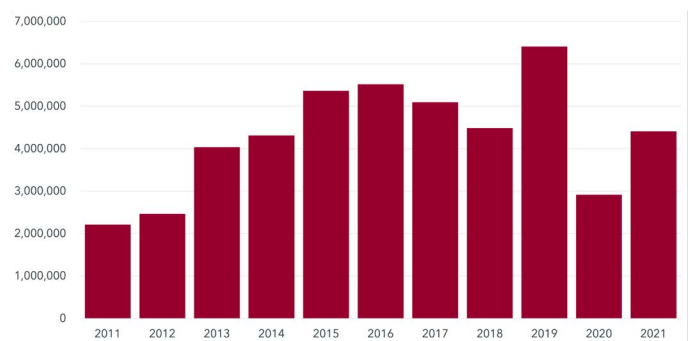
Houston has continued to see an upward trend in activity and demand through Q4 2021. The market has shown that demand is outpacing the supply of retail properties (existing and new construction), which has forced retailers to become more aggressive to quickly secure available properties. Fast-food space has again topped the list for the most sought-after space in retail - even more so if there is a drive-thru component in 2nd gen restaurant spaces. National retailers continue to expand to the market due to the business-friendly regulations and pent-up demand, as well as regional and local operators. Looking into the new year, 2022 bodes well to continue this trend for future growth and expansion for retailers.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	5,106,150	5,053,639	4,473,288	3,456,959	3,937,877
▼ Vacancy Rate	5.60%	5.90%	6.20%	6.20%	6.20%
▲ Avg NNN Asking Rate PSF	\$21.18	\$20.96	\$20.69	\$20.54	\$20.52
▲ SF Under Construction	4,410,000	3,878,291	3,069,019	2,961,956	2,914,003
▲ Inventory SF	418,266,515	417,848,285	417,470,865	416,370,788	415,323,992

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
11222-12820 Fountain Lake Dr (Part of a Portfolio), Stafford, TX	373,827 SF	Undisclosed	Dhanani Private Equity Group Dunhill Partners, Inc.	Multi-Tenant
17355 Tomball Parkway (Part of a Portfolio), Houston, TX	174,237 SF	\$13,056,755 \$74.94 PSF	Mishorim Investments USA Retail Value, Inc.	Multi-Tenant
19411 Atrium Place (Part of a Portfolio), Houston, TX	132,000 SF	Undisclosed	Realty Income Corporation VEREIT, Inc.	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9615-9701 Spencer Highway La Porte, TX	40,250 SF	Commercial Property Management	Undisclosed	Undisclosed
15201-15555 Southwest Freeway Sugar Land, TX	36,748 SF	TriGate Capital, LLC	Seafood City	Food
21614 State Highway 249 Houston, TX	34,950 SF	Sandhill Corporation	Undisclosed	Undisclosed

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