



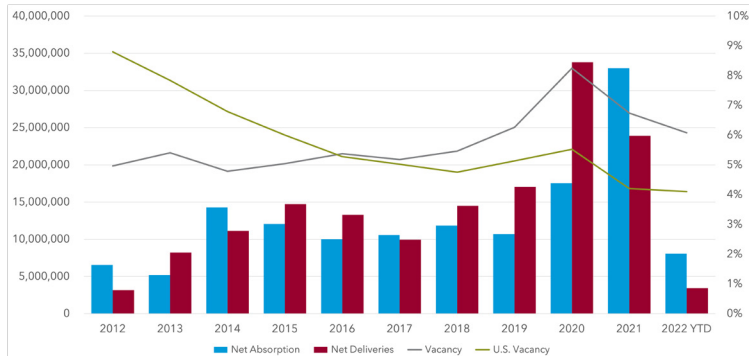
INDUSTRIAL MARKET OVERVIEW

JUSTIN TUNNELL, *Principal*

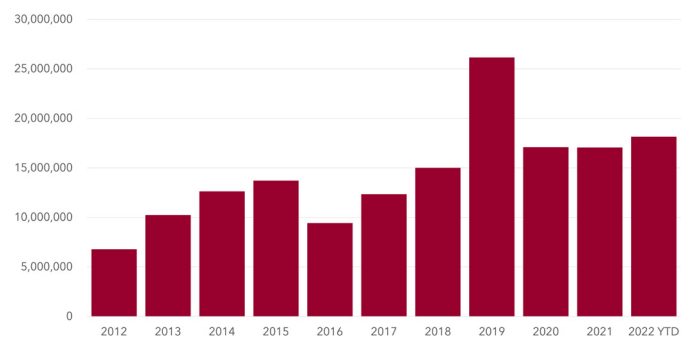
Houston continues to see heavy demand for distribution space. As construction materials and land prices increase, the rental rate hikes are following. The largest facilities are being built in the Southeast corridor near the Port of Houston, and the far West corridor that helps to service San Antonio and Austin. With quality development sites becoming more difficult to come by, developers have recently pushed farther Northwest in an attempt to accommodate demand without having to pass thru the additional land cost to the prospective tenants. We are currently tracking 29M SF of active requirements city-wide, with almost 40% of that needing <500K SF.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	36,775,389	32,995,116	31,287,816	17,335,798	15,899,723
▼ Vacancy Rate	6.4%	6.7%	7.4%	8.3%	8.5%
▲ Avg NNN Asking Rate PSF	\$5.31	\$5.30	\$5.23	\$4.43	\$4.37
▲ SF Under Construction	18,702,359	17,061,196	16,396,249	21,428,864	20,502,858
▲ Inventory SF	736,532,143	733,629,451	728,322,627	717,370,162	713,227,437

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Eastveld Drive (Under Contract) Houston, TX	318,240 SF	Undisclosed	Undisclosed Undisclosed	Class A
17506 E Hardy Road (Under Contract) Houston, TX	283,480 SF	Undisclosed	Undisclosed Undisclosed	Class A
8700 Fairbanks North Houston Road Houston, TX	237,404 SF	Undisclosed	Investment & Development Venture Trinity Highway	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
0 Interchange 249 Tomball, TX	908,853 SF	Undisclosed	Macy's	Department Stores
7525 Sutton Drive Baytown, TX	507,225 SF	TGS Cedar Port	Article	Retailer
1211 Rankin Road Houston, TX	392,480 SF	Texakota, Inc.	Meiborg Warehouse	3PL

