



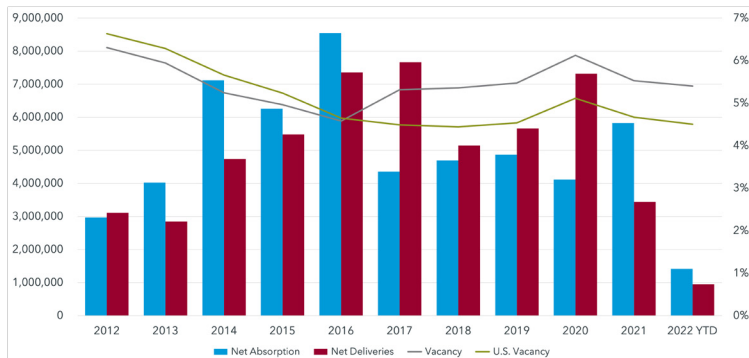
RETAIL MARKET OVERVIEW

GRANT WALKER, *Senior Director*

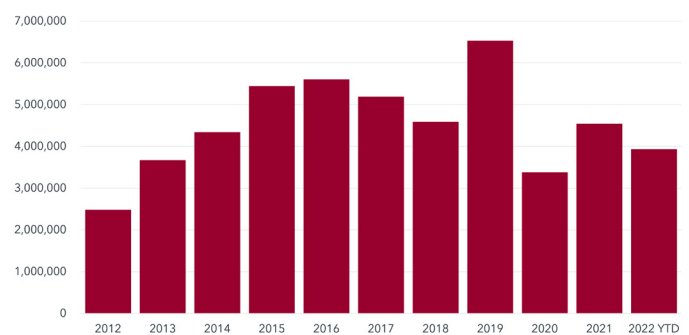
Houston's top tier ranked economy has been surging since January 2021 without a "RE Bubble" insight. This is due to the increasing market demand caused by historic levels of household growth based on above average net migration. The residential growth, which is primarily in the suburbs, is allowing developers to continue building new retail developments at increasing rates that continue to drive record levels of construction. A majority of the expanding retailers/restaurant tenants (local, regional, and national) are continuing to target these new/up and coming residential trade areas which allow additional retail locations within the market.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	6,426,736	5,826,827	5,565,189	5,090,801	3,572,564
▼ Vacancy Rate	5.4%	5.5%	5.8%	6.1%	6.1%
▲ Avg NNN Asking Rate PSF	\$21.34	\$21.26	\$21.01	\$20.75	\$20.59
▼ SF Under Construction	3,912,009	4,544,933	4,322,721	3,254,639	3,499,135
▲ Inventory SF	423,394,149	422,446,881	421,851,376	421,470,466	419,892,842

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
10000 Emmett F Lowry Expy Texas City, TX	451,813 SF	Undisclosed	Pat & Amy Nolan Asset Preservation, Inc.	Multi-Tenant
12900-12974 Willowchase Drive Houston, TX	231,126 SF	Undisclosed	Wu Properties Fidelis Realty Partners	Multi-Tenant
2802-2808 Business Center Drive Pearland, TX	214,625 SF	Undisclosed	Fidelis Realty Partners EDENS	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8715 West Loop South Houston, TX	58,095 SF	MC Management & Development, Inc.	Academy Sport + Outdoor	Sporting Goods
9300 Emmett F Lowry Expy Texas City, TX	50,526 SF	Jerome M Karam	Vettrus	Undisclosed
125 West Crosstimbers Street Houston, TX	46,587 SF	Paul A. Burns	Undisclosed	Undisclosed

