



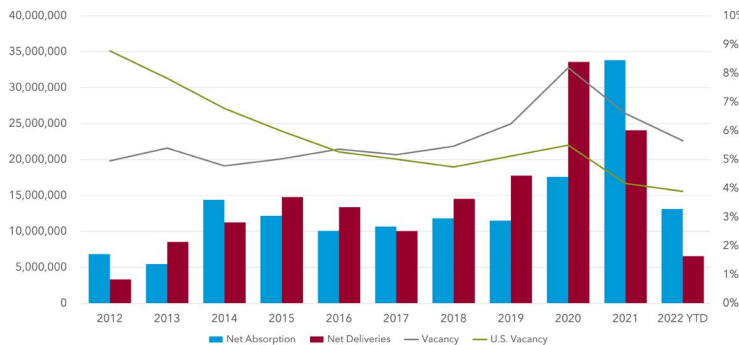
INDUSTRIAL MARKET OVERVIEW

CHASE CRIBBS, *Principal*

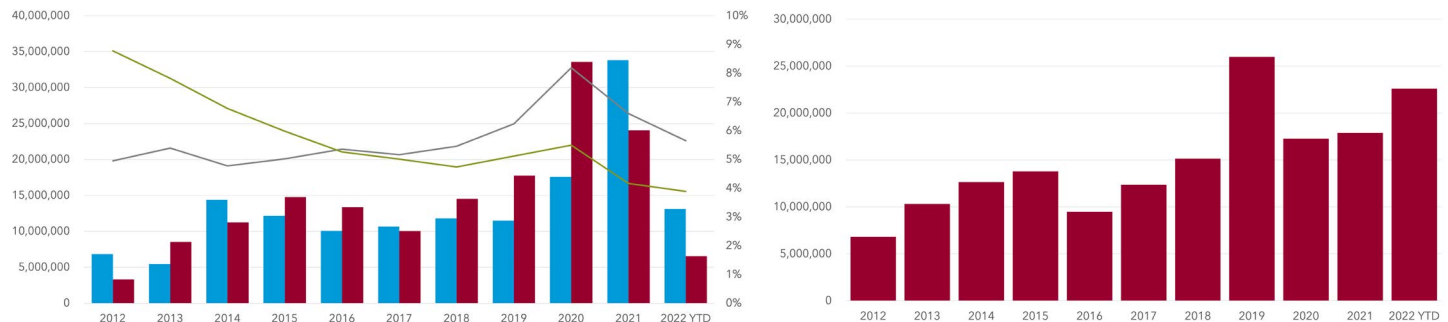
While the total under construction SF has increased from Q1 2022, absorption continues to outpace deliveries in Q2 2022. The largest lease transaction this quarter was Wayfair, occupying 1.2M SF in the North submarket, pushing total vacancy rates below 6% for the first time since 2018. As demand is increasing in Houston, tenants requirements are pushing towards Southeast, sitting at 7.1M SF and Northwest with 5.1M SF in requirements. As demand is increasing and higher cost facility buildings are being delivered, rental rates are continuing to climb and are expected to continue to increase over the next few quarters.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	40,897,273	38,953,874	33,837,627	31,872,904	17,077,492
▼ Vacancy Rate	5.6%	6.1%	6.6%	7.3%	8.3%
▲ Avg NNN Asking Rate PSF	\$8.32	\$8.15	\$8.05	\$7.92	\$7.81
▲ SF Under Construction	22,591,883	21,558,261	17,883,067	16,430,395	21,695,898
▲ Inventory SF	743,403,471	739,694,280	736,871,705	731,615,327	720,342,819

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1800 North Mason Road Katy, TX	1,500,596 SF	\$190,000,000 \$126.62 PSF	Mirae Asset Global Investments Tratt Properties, LLC	Class B
750 Lockwood Drive Houston, TX	239,376 SF	\$11,000,000 \$45.95 PSF	Urban Meridian Group, Inc. Electric Wire & Cable Company	Class C
10001 Fannin Street Houston, TX	218,966 SF	Undisclosed	Taurus Investment Holdings, LLC Summit Real Estate Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Milner Road Houston, TX	1,200,320 SF	Prologis	Wayfair	e-Commerce
1211 Rankin Road Houston, TX	392,480 SF	Texakota, Inc.	Meiborg	Services
4000 Cedar Boulevard Baytown, TX	306,980 SF	Reich Brothers	Supply Chain Warehouses	Transportation/ Warehousing

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