



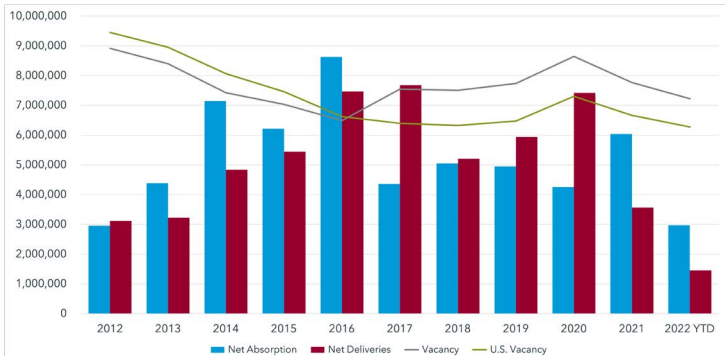
RETAIL MARKET OVERVIEW

GRANT WALKER, *Senior Director*

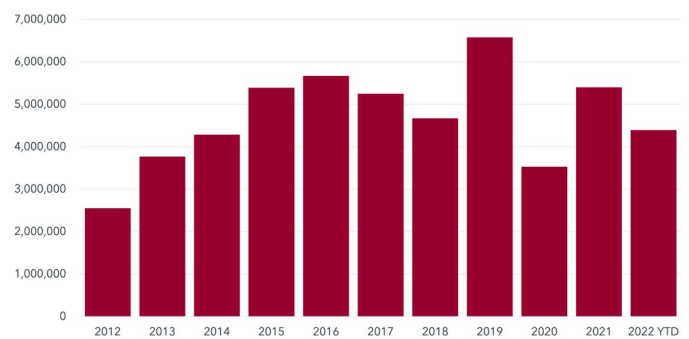
Houston continues to see an upward trend in retail. Due to the pent-up demand caused from the COVID pandemic, Houston has built around 2.5M SF of new retail developments over the past 12 months. 22Q2 was the best quarter in Houston's resilient retail market since 2016 with approximately 80% of the new 2.5M SF already leased and 4.5M SF currently under construction. From June 2021 to June 2022, Houston ranked #2 out of all U.S. metros for most retail space absorbed, and net absorption is projected to reach its highest level in 6 years by the end of 22Q4. Houston recorded the highest Q2 at \$1.1B+ sales and the 4th highest quarter for sales volume since 2006; this will only increase over the next 3-5 years, surpassing all previous records.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	6,375,895	6,628,614	6,034,927	6,001,807	5,535,562
▼ Vacancy Rate	5.1%	5.3%	5.4%	5.7%	6.0%
▲ Avg NNN Asking Rate PSF	\$21.70	\$21.43	\$21.31	\$21.07	\$20.83
▼ SF Under Construction	4,391,605	4,746,901	5,400,981	4,951,247	3,876,199
▲ Inventory SF	425,611,189	425,068,535	424,158,559	423,578,497	423,120,333

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
4501-4765 FM 1960 Houston, TX	264,760 SF	\$20,907,319 \$78.97 PSF	Shawn Bidsal LNR Partners	Single-Tenant
11703 Eastex Freeway Houston, TX	178,140 SF	Undisclosed	Tenex Intl, Inc Zaid Properties	Multi Tenant
12523-12589 Westeimer Road Houston, TX	141,498 SF	Undisclosed	Ziao Yan Liang Wu Properties	Multi Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11001-11051 Fuua Street Houston, TX	52,990 SF	B&G Wholesale Distributing	Undisclosed	Undisclosed
NEC West Grand Parkway S & West Airport Boulevard, Richmond, TX	38,330 SF	NewQuest	Texans Fits	Recreation
1705-1825 North Fry Road Katy, TX	36,000 SF	Brixmor	Undisclosed	Undisclosed

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