



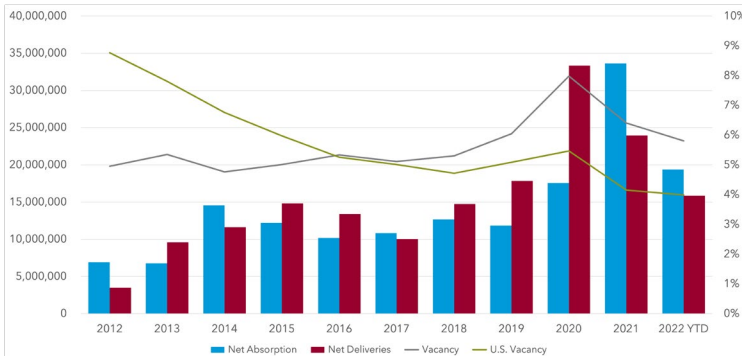
INDUSTRIAL MARKET OVERVIEW

JUSTIN TUNNELL, *Principal*

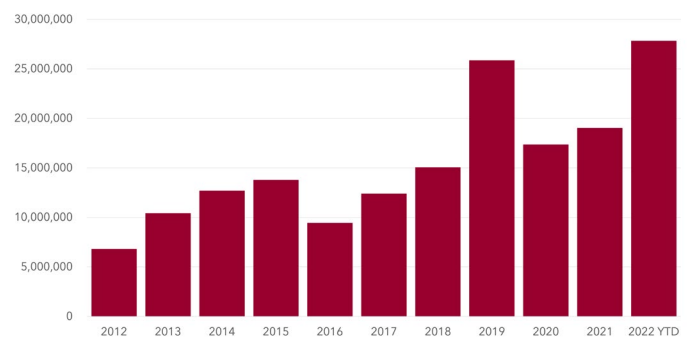
Lease demand in the Greater Houston area remains healthy, though instability in the capital markets has slowed down the development activity. Land prices remain steady, though we expect softening in the outskirts in the coming months to accommodate the less competitive landscape. Infill sites remain extremely competitive and more difficult to find. We expect infill sites to remain at a premium. The Port of Houston continues to see record TEU's, and a substantial portion of that product is slated to distribute from Houston. We expect a continued increase in lease rates as supply tightens and demand remains steady.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	29,832,245	41,753,011	38,290,976	33,624,265	33,084,014
▲ Vacancy Rate	5.69%	5.32%	5.93%	6.40%	7.06%
▲ Avg NNN Asking Rate PSF	\$8.37	\$8.32	\$8.18	\$8.08	\$7.96
▲ SF Under Construction	27,828,628	27,227,067	22,887,243	19,041,552	16,506,853
▲ Inventory SF	751,679,552	742,561,564	738,603,477	735,758,657	730,597,360

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2303 Hurricane Lane Missouri City, TX	1,081,292 SF	Undisclosed	Amazon Lovett Commercial	Class A
3101 Eastveld Drive Houston, TX	318,240 SF	Undisclosed	ICC The Urban Companies	Class A
15130 Market Street Houston, TX	316,172 SF	Undisclosed	Market Street LLC Northwest Mutual Life Ins Company	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6315 West By Northwest Boulevard Houston, TX	201,600 SF	Invesco Advisers, Inc.	Banta Global Turnkey	Manufacturing
7301-7401 Security Way Houston, TX	161,099 SF	Prologis, Inc.	H-E-B	Supermarkets
6202 Lumberdale Road Houston, TX	120,087 SF	Lumberdale LLC	JLG Industries	Manufacturing

