



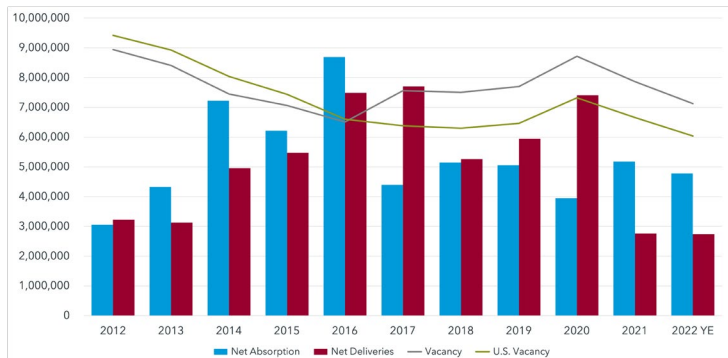
### RETAIL MARKET OVERVIEW

GRANT WALKER, *Senior Director*

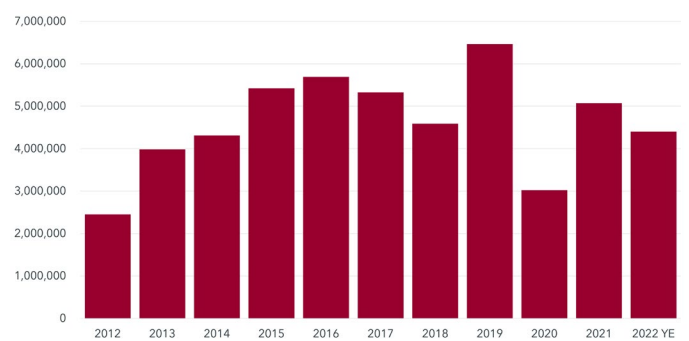
The first holiday sales numbers are starting to come in and nationally November was higher than December, but according to several big box retailers and restaurants, Houston experienced the opposite with December being the best month in 2022. Houston remained first in the nation for retail square feet under construction. There is currently 5,073,891 square feet under construction surpassing the 3rd Quarter by 211,000 square feet. Rental rates continued to climb ending the year at \$22.46 PSF, per year, compared to last years number which was \$21.44. There are no signs of this trend slowing with most economic forecasts showing rental rates almost doubling within the next 5 years.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	4,780,607	5,722,961	5,995,924	5,769,118	5,179,642
▲ Vacancy Rate	5.0%	4.9%	5.1%	5.3%	5.5%
▲ Avg NNN Asking Rate PSF	\$22.46	\$22.15	\$21.89	\$21.61	\$21.44
▼ SF Under Construction	4,400,892	4,865,265	4,850,456	4,862,321	5,073,891
▲ Inventory SF	425,118,529	424,109,488	423,782,126	423,144,371	422,379,162

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
2208-2224 Cypress Creek Parkway Houston, TX	195,554 SF	Undisclosed	Pacific Square of FM LLC Copper Leaf, LLC	Multi-Tenant
4000 North Shepard Drive Houston, TX	177,252 SF	Undisclosed	Undisclosed Seritage SRC Finance, LLC	Multi-Tenant
300 Baybrook Mall Friendswood, TX	165,768 SF	Undisclosed	Undisclosed Seritage SRC Finance, LLC	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12005-12047 Northwest Freeway Houston, TX	75,000 SF	Smithco Development	Crazy Boss	Retail Discount Store
10801-11045 Westheimer Road Houston, TX	35,525 SF	Kimco Realty	Undisclosed	Big Box Retail Store
1599 Allen Parkway Houston, TX	34,000 SF	DC Partners	Texans Fit	Physical Fitness Facility

