



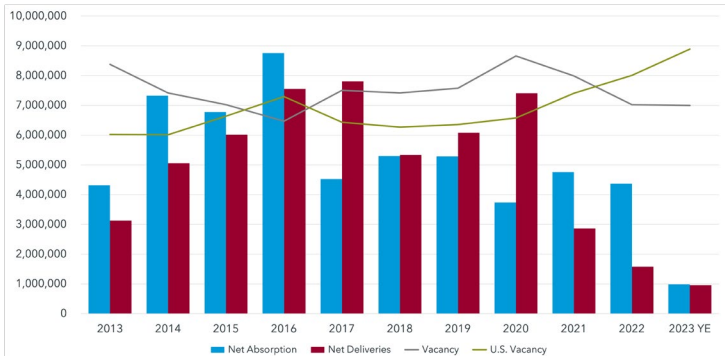
### RETAIL MARKET OVERVIEW

GRANT WALKER, *Senior Director*

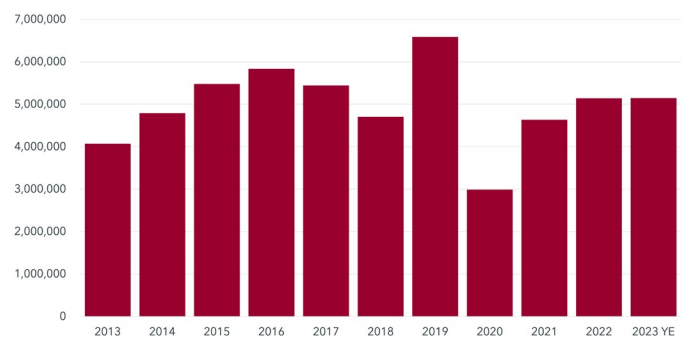
Houston's retail market is off to a strong start for 2023, especially in the employment sector. Year-over-year, February 2023 saw an increase of 148,500 in total job growth, which was 29,200 more than January 2022. Although there have been rumblings about a potential recession going back to the beginning of last year, there has been no concrete evidence in Houston's local job numbers to support the likelihood of a recession occurring. The citywide asking rates continue to climb, closing Q1 2023 at \$23.08 per square foot compared to \$21.87 per square foot at close of Q1 2022. There are no signs of this trend slowing with most economic forecasts showing rental rates almost doubling within the next five years.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▲ 12 Mo. Net Absorption SF	4,034,419	4,369,304	5,018,545	5,429,821	5,316,530
◀ ▶ Vacancy Rate	4.9%	4.9%	5.2%	5.3%	5.5%
▲ Avg NNN Asking Rate PSF	\$22.71	\$22.56	\$22.20	\$21.92	\$21.64
▼ SF Under Construction	5,145,621	5,140,134	4,888,662	4,808,420	4,620,101
▲ Inventory SF	427,579,491	426,625,734	426,858,923	426,432,165	425,776,051

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
18535 FM 1488 Road Magnolia, TX	94,724 SF	Undisclosed	Mark Milstead TriMarsh Properties, LLC	Multi-Tenant
2421 Gulf Freeway South* League City, TX	73,605 SF	Undisclosed	GIC Real Estate STORE Capital Corporation	Single-Tenant
1125 Magnolia Avenue* Webster, TX	64,917 SF	Undisclosed	GIC Real Estate STORE Capital Corporation	Single-Tenant

\*Part of portfolio

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5319-5419 FM 1960 Road Houston, TX	41,453 SF	First National Realty Partners	Undisclosed	Big Box Retail Store
4310 Avenue H Rosenberg, TX	29,000 SF	Amin Noor	3 Gems Event Center	Arts, Entertainment, and Recreation
501-521 South Mason Road Katy, TX	28,750 SF	Global Fund Investments	Undisclosed	Retail Store

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