



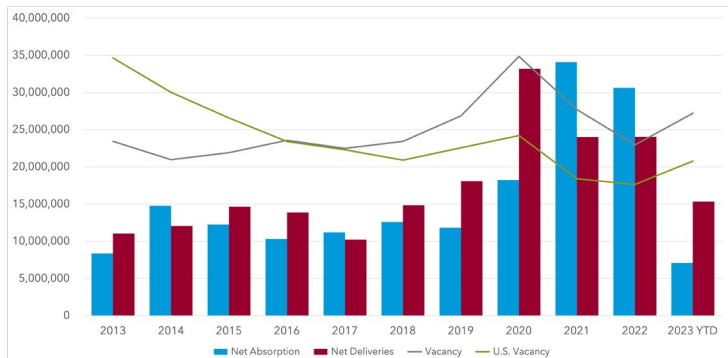
INDUSTRIAL MARKET OVERVIEW

ROBERT MCGEE, SIOR, *Principal*

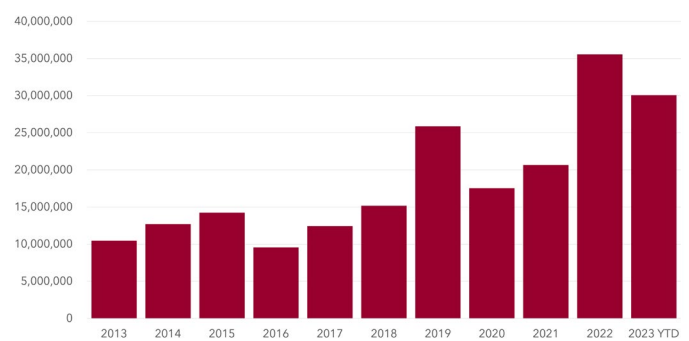
Overall, leasing activity has remained steady throughout Q2 2023. While the vacancy rate has slightly moved upward, it's mainly due to a large number of deliveries across the market. Smaller blocks of space, less than 200,000 square feet, have started seeing better rent growth as the properties are getting leased at a healthy pace and even catching-up with the larger bulk centers over 400,000 square feet. While tenants have been more cautionary in their decision process, there is still an equilibrium between supply and demand. We expect supply to begin to diminish with fewer new construction projects through year-end.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	22,741,389	29,735,595	30,606,488	33,542,346	43,612,580
▲ Vacancy Rate	6.1%	5.5%	5.2%	5.4%	5.2%
▲ Avg NNN Asking Rate PSF	\$8.73	\$8.67	\$8.51	\$8.43	\$8.36
▼ SF Under Construction	30,052,232	35,269,540	35,559,418	32,896,085	28,781,420
▲ Inventory SF	782,315,707	774,321,636	766,972,992	761,706,810	751,629,344

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4861 Sam Houston Parkway Houston, TX	603,389 SF	\$69,850,000 \$115.76 PSF	MDH Funding LLC IDV / Baupost	Class A
4414 Hollister Road Houston, TX	234,215 SF	\$24,600,00 \$105.03 PSF	Lonestar Electric Supply Frontera Capital Partners	Class B
8550 Market Street Houston, TX	231,879 SF	Undisclosed	ATCAP Partners CenterPoint Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
32509 US Highway 90 Brookshire, TX	229,150 SF	Stream	Professional Packing Systems	Logistics
9601-9649 West Wingfoot Road Houston, TX	195,185 SF	AG-EIP 9647 West Wingfoot Drive LLC	HEB	Grocery
703 Logistics Drive South Baytown, TX	133,000 SF	National Property Holding	Quantix	Logistics

