



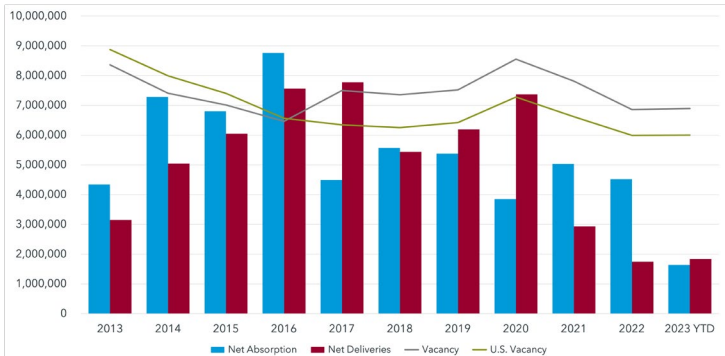
RETAIL MARKET OVERVIEW

GRANT WALKER, *Senior Director*

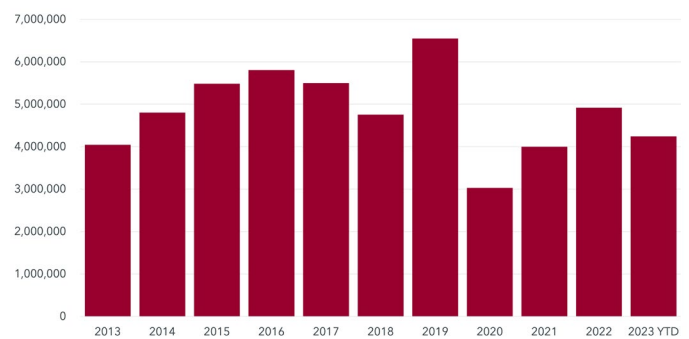
Houston's retail market remains strong as it surpasses the national trend, averaging 2.1M SF in total leasing activity. Around 87% of new leases were from smaller tenants, classified as 5,000 SF or less. Houston's only natural land barrier is the Gulf of Mexico, so the majority of the largest leases signed in Q2 2023 were near the growing suburban areas in the Greater Houston area. Over the last year, Houston has absorbed 3.1MSF of retail space, mostly coming from big-box stores expanding into the fast-growing suburbs. The national average vacancy rate is 4.2% while Houston's has remained at 4.8% since 2017.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	3,569,325	4,242,236	4,517,039	5,252,181	5,629,280
◀▶ Vacancy Rate	4.8%	4.8%	4.8%	5.0%	5.1%
◀▶ Avg NNN Asking Rate PSF	\$22.92	\$22.92	\$22.68	\$22.32	\$22.08
▼ SF Under Construction	4,243,221	4,773,065	4,918,565	4,794,342	4,499,360
▲ Inventory SF	429,722,106	428,947,902	427,865,112	427,956,445	427,505,001

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
10000 Emmett F Lowry Expressway Texas City, TX	451,813 SF	Undisclosed	Pat & Amy Nolan Asset Preservation, Inc.	Multi-Tenant
16510-16762 Southwest Freeway Sugarland, TX	379,442 SF	Undisclosed	Kite Realty Group Trust Retail Properties of America, Inc.	Multi-Tenant
11222-12820 Fountain Lake Drive Stafford, TX	373,827 SF	Undisclosed	Dhanani Private Equity Group Dunhill Partners, Inc.	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12565 Arc Lane Stafford, TX	124,440 SF	Undisclosed	Target	Big Box Retail Store
9420 College Park Drive The Woodlands, TX	57,000 SF	Brixmor Property Group	Undisclosed	Undisclosed
9209 Gulf Freeway Houston, TX	33,000 SF	Anjuash LLC	Undisclosed	Undisclosed

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