



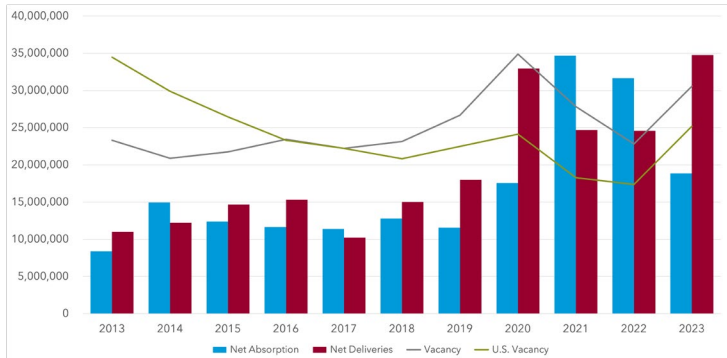
INDUSTRIAL MARKET OVERVIEW

TAYLOR SCHMIDT, SIOR, CCIM, *Principal*

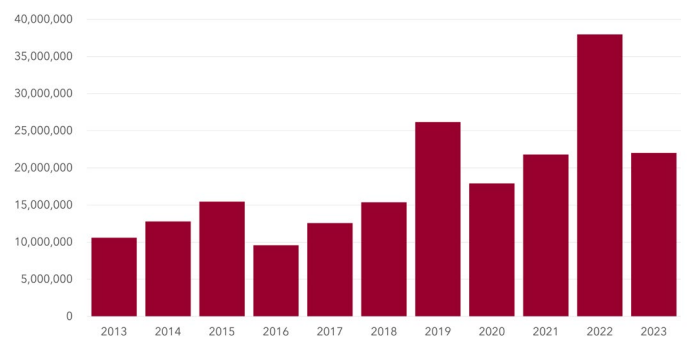
Demand for industrial space remained steady for deals under 150,000 square feet but the market experienced a slowdown in larger square footage and 3PL deals. Institutional landlords have mostly remained patient passing on under market or short-term leases in anticipation activity will increase in 2024. User sales under 100,000 square feet remained very active and we expect larger sales to make a comeback next year as interest rates continue to fall. Developers remain cautious in spec product for larger buildings but are also very active trying to acquire land sites in the top performing submarkets. The new year will start strong with several deals being inked quickly as we anticipate the leasing activity flurry to continue throughout Q1 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	18,856,140	23,729,181	24,496,334	32,155,245	31,660,943
▲ Vacancy Rate	6.9%	6.6%	6.1%	5.4%	5.1%
▲ Avg NNN Asking Rate PSF	\$8.94	\$8.83	\$8.71	\$8.62	\$8.50
▼ SF Under Construction	22,018,691	25,176,710	34,483,118	37,076,607	37,984,753
▲ Inventory SF	809,697,460	804,440,953	792,456,779	783,331,878	774,929,705

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10433 Ella Boulevard Houston, TX	601,426 SF	\$59,250,000 \$98.52 PSF	Transwestern Investment Co LLC Clarion Partners	Class A
13393 Main Street Houston, TX	523,640 SF	Undisclosed	Greenlaw Partners Clay Development & Construction	Class A
1211 Rankin Road, Building 2 Houston, TX	392,570 SF	\$38,757,400 \$98.73 PSF	Nuveen Real Estate Lovett Industrial	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Ameriport Parkway, Building 19 Baytown, TX	616,700 SF	National Property Holdings	Palmer Logistics	Transportation and Warehousing
8235 Plummer Street, Building 2 Houston, TX	526,008 SF	NP-OV Houston Industrial LLC	ExxonMobil	Services
10100 West Lake Houston Parkway Houston, TX	498,270 SF	Exeter	Confidential	Confidential

