



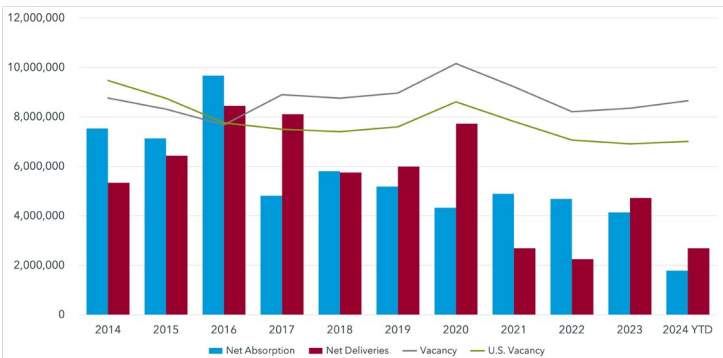
RETAIL MARKET OVERVIEW

MARY DOETTERL, *Research Manager*

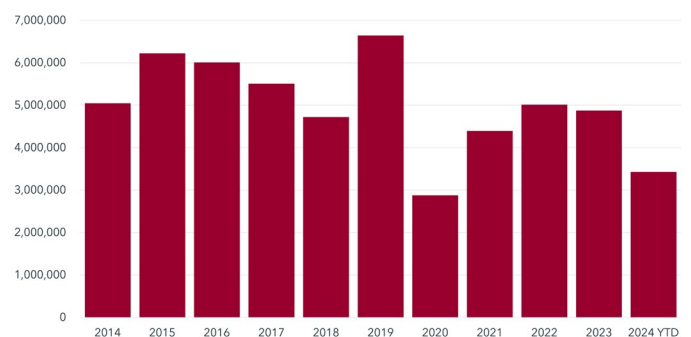
Houston’s MSA, with a population of 7.6 million, is the fifth most populous metro in the nation. The retail market is softening but remains stable. As of Q3 2024, the vacancy rate holds steady at 5%, still above the national average of 4.1%. Leasing activity for the quarter is at 1,815,222 SF, with an absorption of 3,297,447 SF. The Uptown/Galleria submarket remains the busiest and most sought-after area, boasting the lowest availability rate at 2%. Average market asking rent growth is at 1.3%, a notable decline compared to 2023 and 2022. Currently, 3.4 million SF of retail space is under construction, a figure that continues to decline each quarter due to high borrowing and construction costs.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	3,297,447	3,479,066	3,484,461	4,142,036	3,479,685
◀▶ Vacancy Rate	5.0%	5.0%	5.0%	4.9%	4.9%
▲ Avg NNN Asking Rate PSF	\$23.71	\$23.72	\$23.72	\$23.60	\$23.41
▲ Sale Price PSF	\$249.00	\$248.00	\$247.00	\$244.00	\$243.00
◀▶ Cap Rate	7.0%	7.0%	7.0%	7.0%	7.0%
▼ Under Construction SF	3,431,466	4,093,926	4,541,347	4,872,835	4,690,373
▲ Inventory SF	443,925,683	442,905,720	442,207,054	441,207,207	439,858,180

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
15201-15555 Southwest Freeway Sugar Land, TX	336,594 SF	Undisclosed	Dhanani Private Equity Group TriGate Capital	Multi-Tenant
19011 Highway 59 N Humble, TXX	113,692 SF	Undisclosed	Vaughan Automotive Mgmt Co. Toomey Family Ltd Partnership	Single-Tenant
4833 Waterview Meadow Drive Richmond, TX	109,511 SF	Undisclosed	At Home Realty Income Corporation	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
19890 Southwest Freeway Sugar Land, TX	64,353 SF	Phillips Edison & Company	Spirit Halloween	Retailer
13331 Westheimer Houston, TX	47,659 SF	Wu Properties	Launch Trampoline Park	Arts, Entertainment, and Recreation
22296 Market Place Drive New Caney, TX	45,000 SF	The Signorelli Company	Lumos	Arts, Entertainment, and Recreation

