



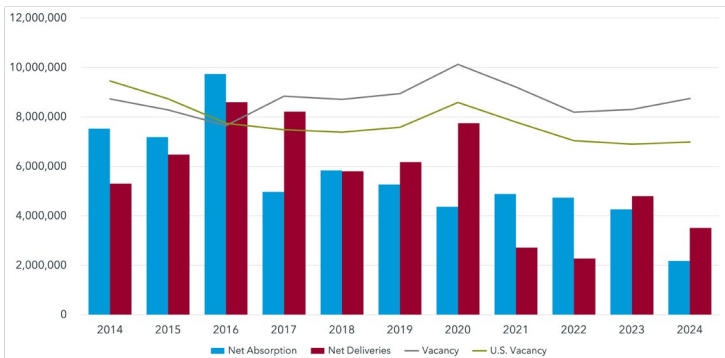
RETAIL MARKET OVERVIEW

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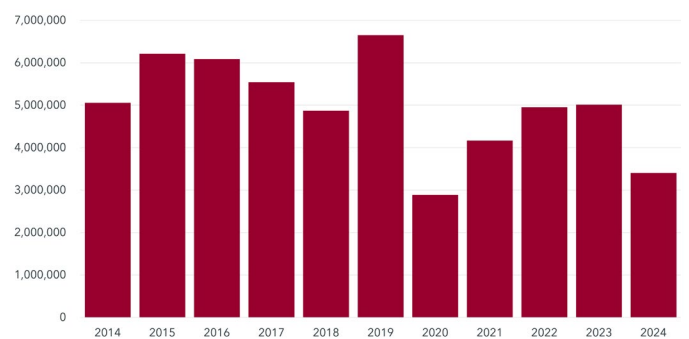
Houston's MSA, with a population of 7.6 million, is the fifth most populous metro in the nation. The retail market is softening but remains stable. As of Q4 2024, the vacancy rate holds steady at 5.1%, still above the national average of 4.07%. Q4 2024 saw a substantial decline in leasing activity with an absorption of 2,195,610 SF. Asking rates has conversely increased by 3.1% year-over-year compared to Q4 2023. The Liberty County submarket has surpassed the Uptown/Galleria submarket for the lowest availability rate in the Houston MSA by 0.3%, with 2.3% and 2%, respectfully. Average market asking rate 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	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	2,195,610	3,421,483	3,732,264	3,731,158	4,262,836
◀▶ Vacancy Rate	5.1%	5.1%	4.9%	4.9%	4.8%
◀▶ Avg NNN Asking Rate PSF	\$23.88	\$23.88	\$23.76	\$23.76	\$23.64
◀▶ Sale Price PSF	\$249	\$249	\$248	\$247	\$244
◀▶ Cap Rate	7.0%	7.0%	7.0%	7.0%	7.0%
▼ Under Construction SF	3,404,790	3,570,364	4,215,033	4,602,506	5,015,021
▲ Inventory SF	446,823,948	446,322,367	445,211,841	444,493,364	443,309,647

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
20131 Highway 59 North Humble, TX	139,578 SF	Undisclosed	Cosmos Furniture Transformco	Multi-Tenant
1771 Spring Stuebner Road Spring, TX	125,000 SF	Undisclosed	Felipe & Maria A Sandoval Omereo Del Papa	Single-Tenant
9400-9478 South Highway 6 South Houston, TX	90,327 SF	Undisclosed	Ajay G. Thomas Whitestone REIT	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
17118 Highway 6 Manvel, TX	140,000 SF	Undisclosed	Lowe's	Retail Trade Sector
16000 Woodland Hills Drive Atascocita, TX	117,000 SF	H-E-B Lp	H-E-B	Grocery Retail
16590 I-45 South The Woodlands, TX	66,517 SF	District & Urban Texas, Inc.	Undisclosed	Undisclosed

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