



Industrial Market Report Houston Market

PREPARED BY



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INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

13.9 M

12 Mo Net Absorption in SF

7.6 M

Vacancy Rate

5.9%

12 Mo Rent Growth

1.7%

Houston's industrial market continues to ride the wave of e-commerce and plastics industry growth, although sluggish demand from the upstream energy sector has provided a counterbalance to prevent the local industrial market from overheating.

Houston has grown in prominence from a market reliant on energy-related industrial demand (particularly for crane-served upstream oil and gas and fabricated metals manufacturing tenants) to a true regional distribution center serving its growing population base. As of 19Q1, it ranked in the top 10 among U.S. metros in terms of trailing 12-month net absorption and inventory size. The Northwest and Southeast parts of the metro remain the strongest areas for Houston's industrial growth, as the Northwest is located close to Houston's growing population base and the Southeast is located near the Port of Houston.

E-commerce and logistics activity in Houston is strong. Amazon completed a 1-million-SF facility in early 2018,

and Amazon and FedEx each completed distribution facilities exceeding 800,000 SF in late 2017. All three of these buildings are located on the west side of town, and more build-to-suits are in the pipeline. Several of the metro's largest leases signed over the past two years have been in logistics facilities, including IKEA (1,000,000 SF), Ravagos Americas (712,000 SF), Emser Tile (600,000 SF), Best Buy (550,000 SF), and Vinmar International (500,000 SF).

Houston's industrial market in 2018 was marked by large portfolio trades, a trend repeated nationally, as large institutional investors remain under-allocated to the industrial property type. Industrial vacancies have compressed faster than the other property types this cycle, as a paradigm shift to e-commerce caused a surge in industrial demand in most major U.S. metros, and Houston was no exception. With high investor demand for industrial properties, cap rates on Houston industrial transactions also compressed to a record low 6.6% on average in 2018.

KEY INDICATORS

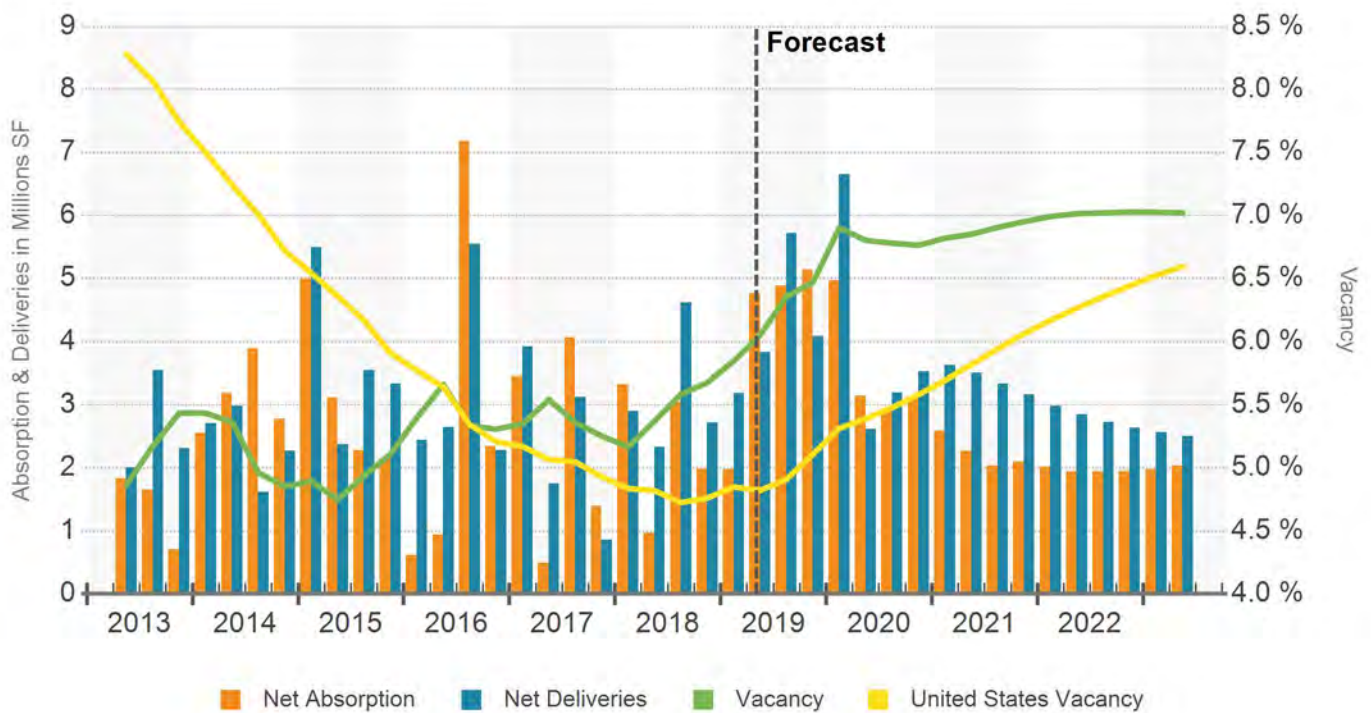
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	465,926,832	6.3%	\$6.80	11.4%	(143,483)	1,085,673	17,789,200
Specialized Industrial	108,937,658	2.5%	\$8.01	4.1%	223,497	137,434	1,124,800
Flex	52,814,616	9.8%	\$10.08	13.5%	(113,944)	0	264,981
Market	627,679,106	5.9%	\$7.27	10.3%	(33,930)	1,223,107	19,178,981
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.7%	6.3%	6.8%	9.4%	2004 Q1	4.3%	1999 Q1
Net Absorption SF	7.6 M	8,867,663	11,221,343	19,265,080	2005 Q2	(281,663)	2003 Q3
Deliveries SF	13.9 M	10,312,760	14,375,983	16,706,263	2009 Q1	3,307,482	2011 Q1
Rent Growth	1.7%	1.9%	1.1%	7.6%	2000 Q2	-2.0%	2010 Q3
Sales Volume	\$1.6 B	\$489.9M	N/A	\$1.7B	2019 Q1	\$126.4M	1999 Q4

Houston's structurally low vacancy rate of 5.9% is below the 20-year historical average and is in line with its peer set, although it exceeded the U.S. average by approximately 100 basis points in 19Q1. The vacancy rate is also up nearly 100 basis points after the height of the shale boom in mid-2015. Meanwhile, strong trailing 12-month net absorption of approximately 7,600,000 SF ranked Houston in the top 10 U.S. industrial markets as of 19Q1. E-commerce growth has created significant demand for industrial space in Houston this cycle. Strong

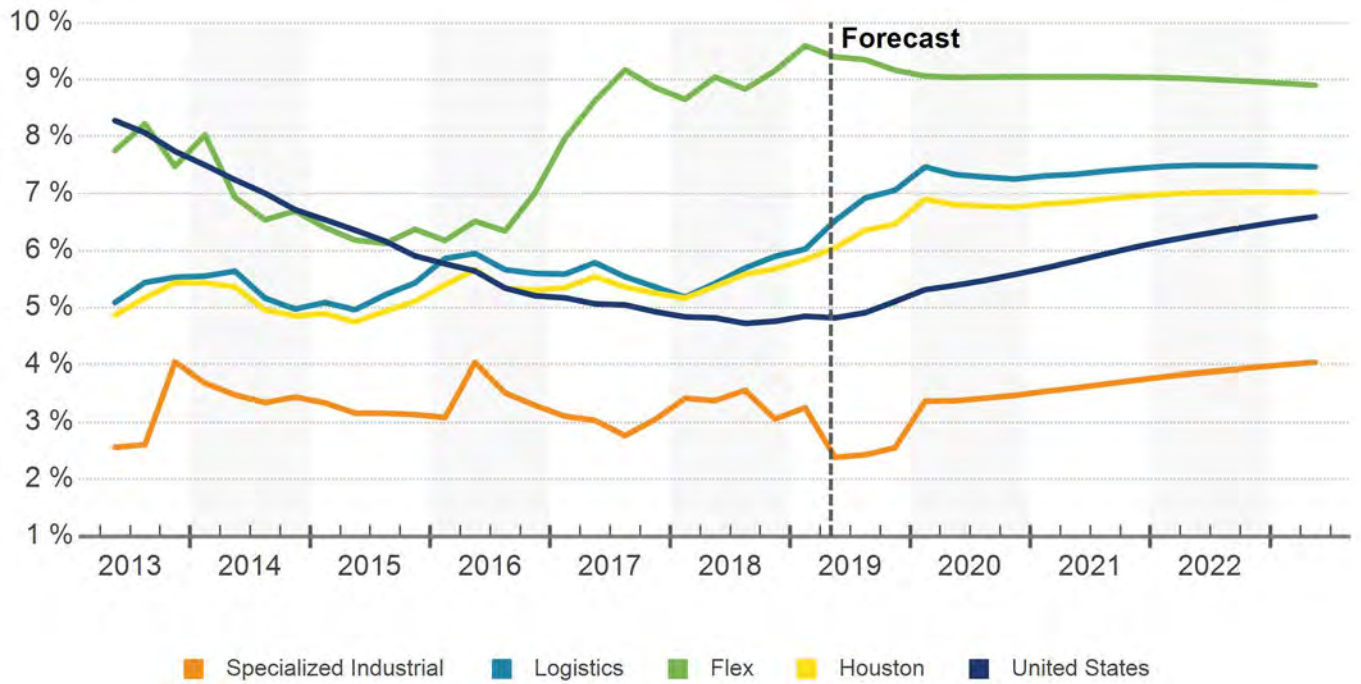
demand from port-related trade and exports, particularly petrochemicals and plastics, also continues to generate strong demand for industrial product in Houston.

CoStar forecasts that Houston's industrial vacancy rate will stay below 7% over the next five years, similar to the national average, suggesting that supply and demand will be in relative balance. Logistics and specialized industrial properties should also continue to outperform flex space.

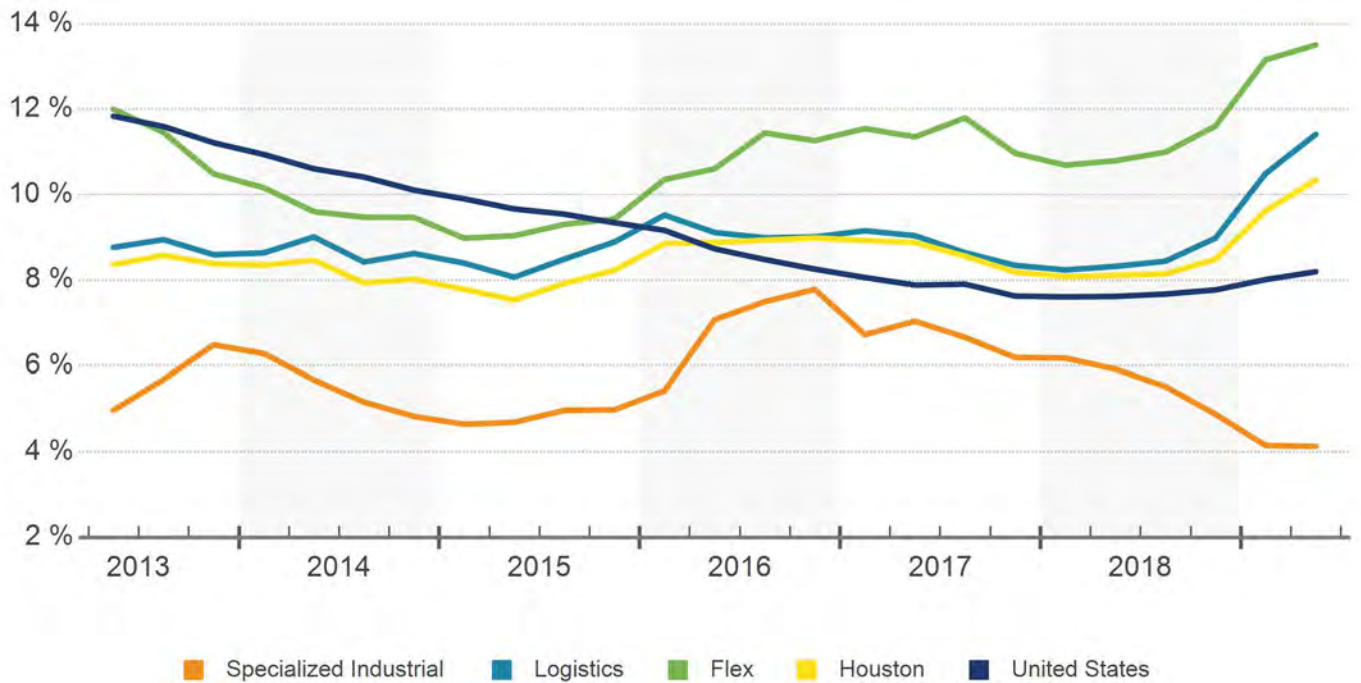
NET ABSORPTION, NET DELIVERIES & VACANCY



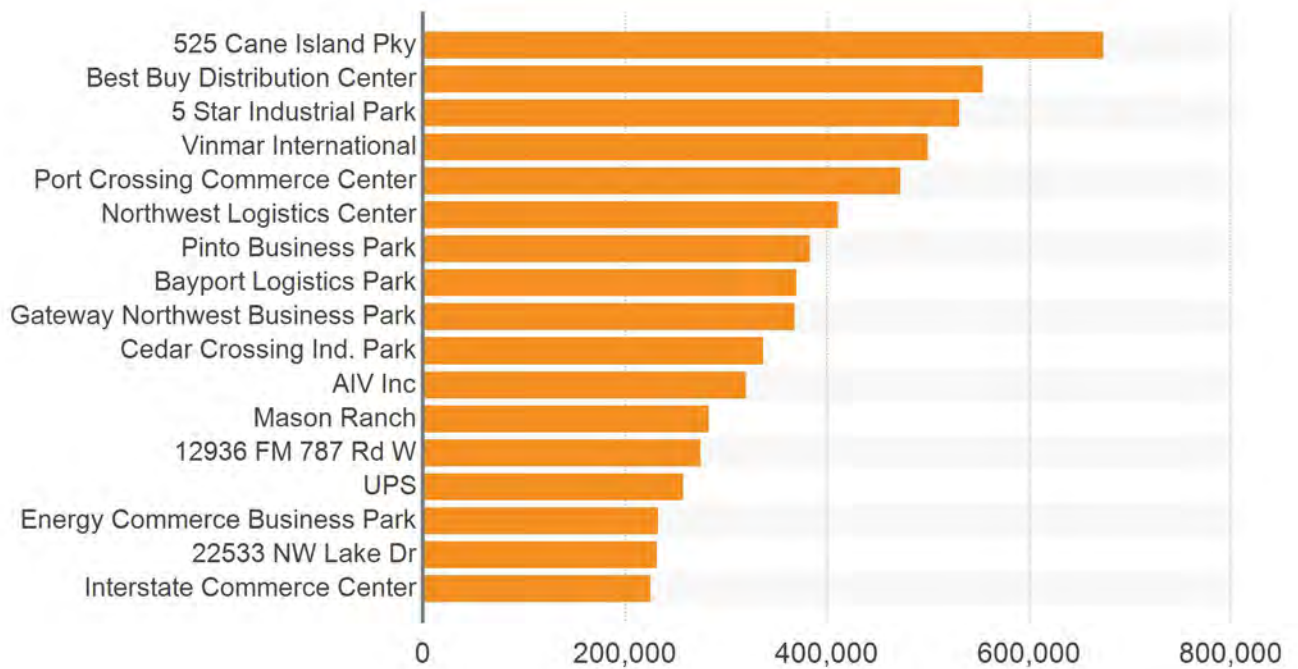
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
525 Cane Island Pky	Northwest Outliers Ind	673,785	0	0	0	0	0	673,785
Best Buy Distribution Center	Hwy 59/Hwy 90 (Alt)...	554,536	0	0	0	0	0	554,536
5 Star Industrial Park	Austin County Ind	928,035	0	531,120	0	0	0	531,120
Vinmar International	East-Southeast Far Ind	500,006	0	0	0	0	0	500,006
Port Crossing Commerce Center	East-Southeast Far Ind	600,360	127,796	472,564	0	0	0	472,564
Northwest Logistics Center	West Outer Loop Ind	411,442	0	0	0	0	0	411,442
Pinto Business Park	North Fwy/Tomball P...	601,426	0	0	0	0	0	383,326
Bayport Logistics Park	East-Southeast Far Ind	369,755	0	0	0	0	0	369,755
Gateway Northwest Business Park	Northwest Hwy 6 Ind	368,432	0	0	0	0	0	368,432
Cedar Crossing Ind. Park	East-Southeast Far Ind	337,040	0	337,040	0	0	0	337,040
AIV Inc	Northwest Outliers Ind	320,000	0	320,000	0	0	0	320,000
Mason Ranch	Northwest Outliers Ind	282,880	0	0	0	0	0	282,880
12936 FM 787 Rd W	Liberty County Ind	275,000	0	0	0	0	0	275,000
UPS	Hwy 290/Tomball Pk...	257,909	0	0	0	0	0	257,909
Energy Commerce Business Park	East-Southeast Far Ind	232,960	0	232,960	0	0	0	232,960
22533 NW Lake Dr	Northwest Outliers Ind	231,839	0	0	0	0	0	231,839
Interstate Commerce Center	North Fwy/Tomball P...	225,600	0	0	225,600	0	0	225,600
Subtotal Primary Competitors		7,171,005	127,796	1,893,684	225,600	0	0	6,428,194
Remaining Houston Market		620,508,101	36,989,112	77,687	(259,530)	0	0	1,158,621
Total Houston Market		627,679,106	37,116,908	1,971,371	(33,930)	0	0	7,586,815

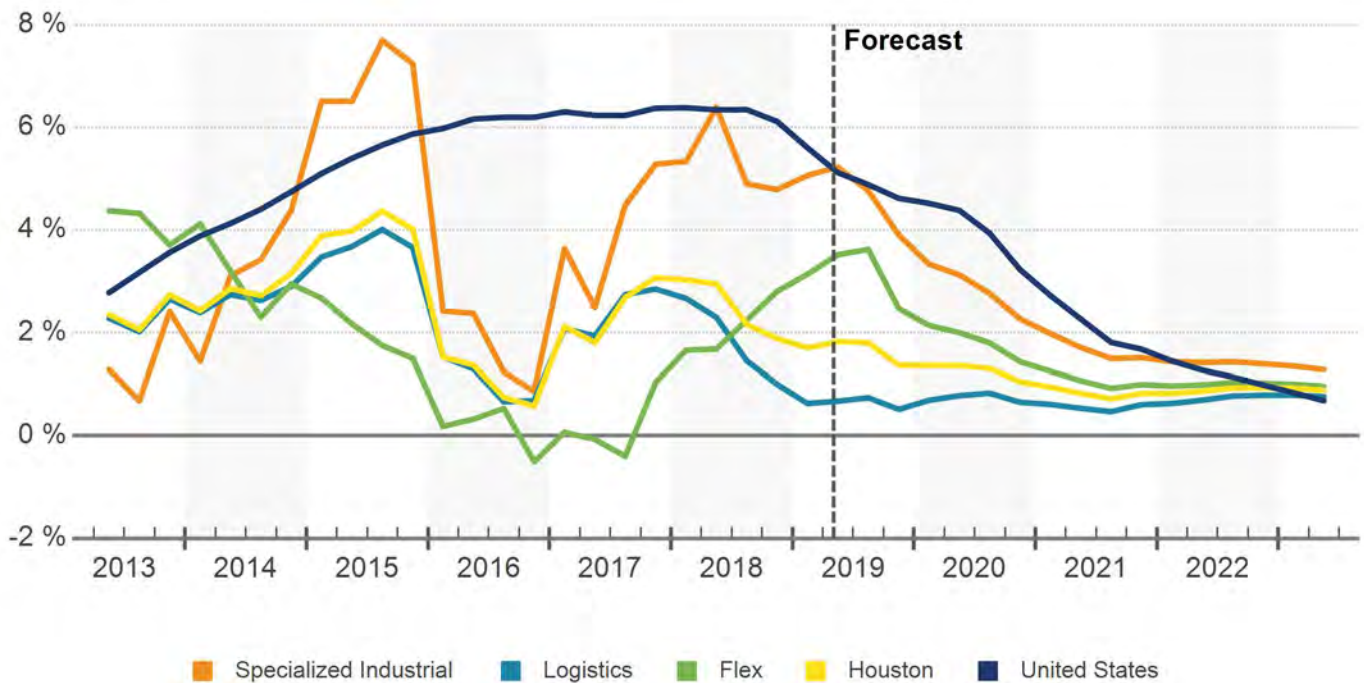
Asking rents for industrial space in Houston continue to climb, and average about \$7.30 /SF, a record high for the metro. Among neighboring Texas markets, this rate trails both Austin and San Antonio, yet it is approximately \$1/SF above Dallas-Fort Worth's rate. Overall, Houston ranks middle-of-the-pack among major U.S. metros in terms of asking rents, likely due to an abundance of land, a lack of zoning, and a comparatively easy entitlement/permitting process that combine to create relatively low barriers to entry for new industrial development in Houston.

Asking rents have grown by approximately 1.7% this year, aligning with the metro's historical annual average since 2010. Cumulatively, rents have grown 20% this cycle. Much of this growth can be attributed to the early part of the cycle between 2011 and 2015, when

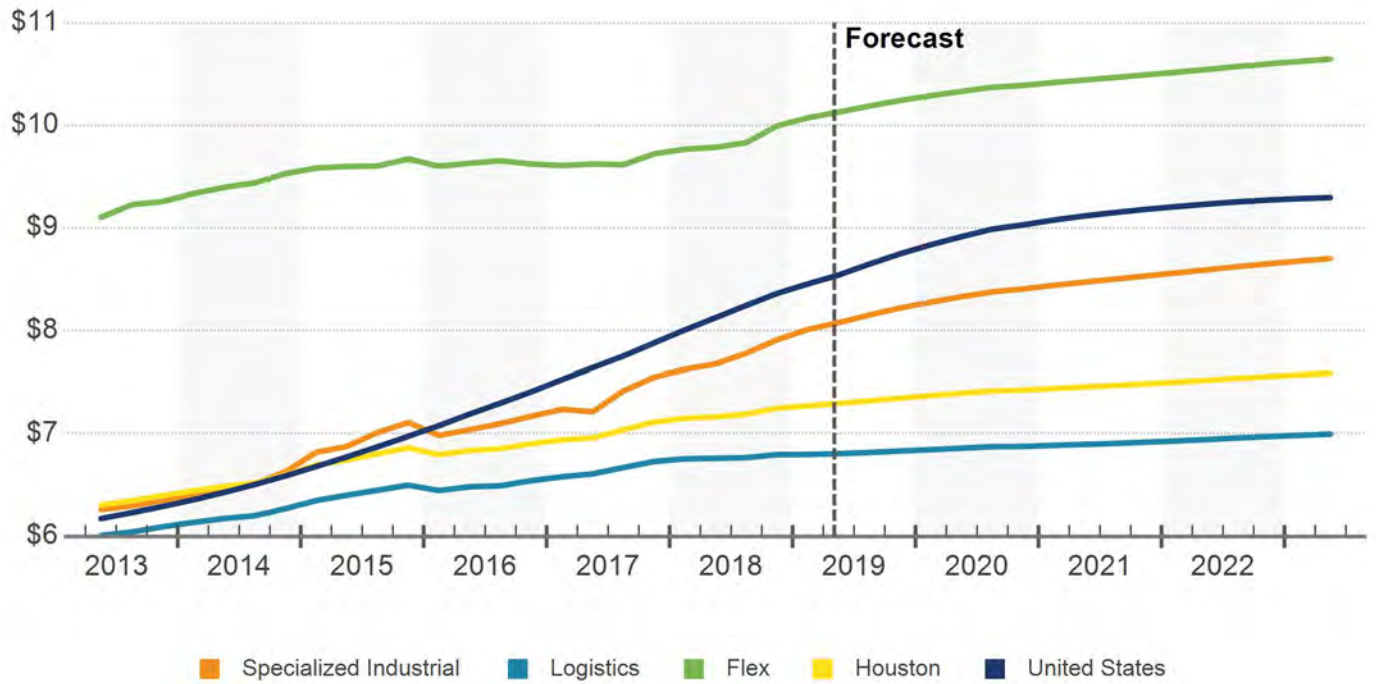
cumulative gains exceeded 15%. Growth slowed thereafter during the oil downturn. It regained its footing in 2017, in tandem with an economic recovery in the energy space and a surge in e-commerce activity nationally.

Rising land costs, rising interest rates, and competition among developers for alternative uses as Houston's population grows outward could constrain industrial development and thus lead to stronger rent increases in the future. Developers have managed to keep supply and demand for industrial space relatively in check, as evidenced by a large amount of new build-to-suits. Save for a significant slowdown in the global economy, since Houston's industrial demand seems to have largely decoupled from the oil and gas industry, it appears that Houston's industrial market has a lot of runway.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



There was approximately 19,200,000 SF of industrial buildings under construction as of 19Q1, which was a record for the metro, ranking Houston in the top five of U.S. metros for SF under construction. However, to put this into perspective, the nation's leading metro for new industrial construction, Dallas-Fort Worth, had nearly twice as much inventory under construction as Houston as of 19Q1.

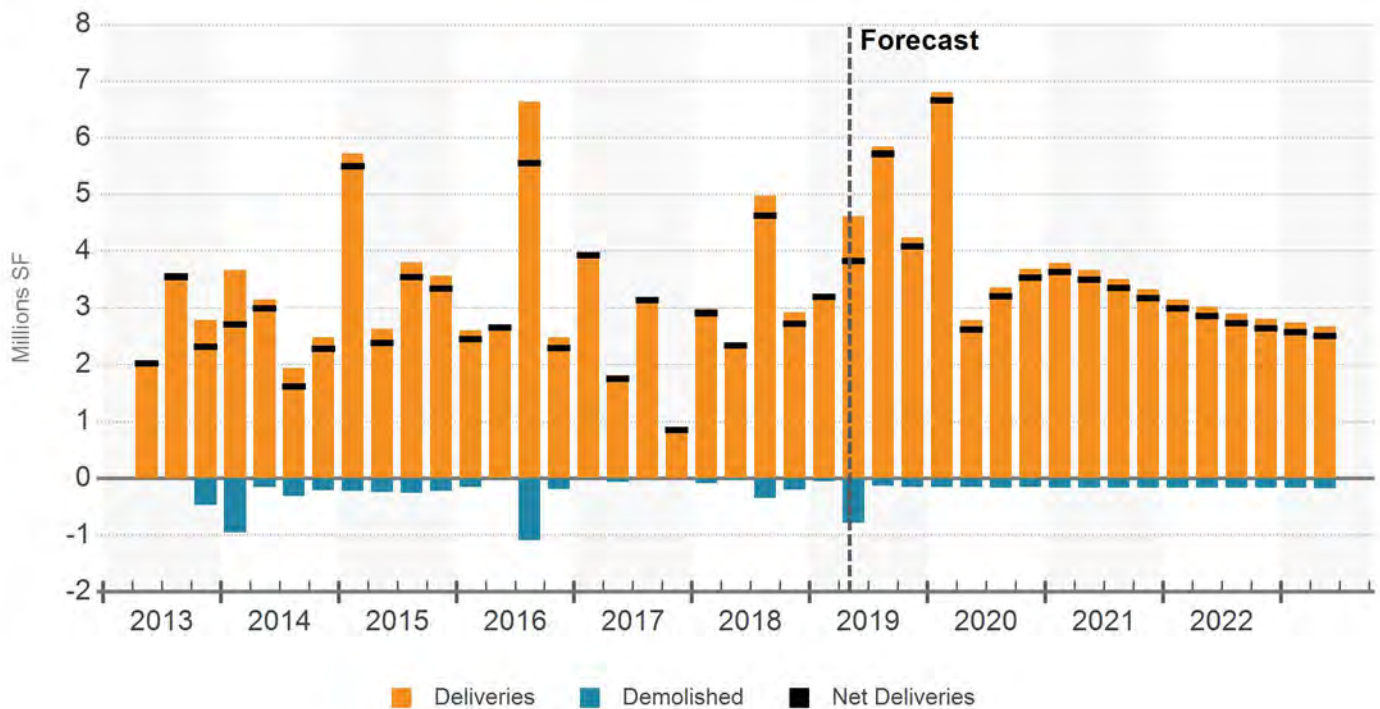
Some of the largest projects under construction in 19Q1 were for build-to-suits, including Hines' 1 million-SF manufacturing facility for The Coca-Cola Company in the North Fwy/Tomball Pky Submarket, Liberty Property Trust's 5 Star, 728,000-SF development for Grocers Supply off of I-45 north of Greenspoint and their 4 Star, 657,000-SF development for Conn's HomePlus, off of the Hard Toll Road, and also north of Greenspoint.

Large logistics companies serving the plastics industry

are also absorbing space at a quick pace. These include the 712,000-SF build-to-suit for Ravago Americas and the 500,000-SF build-to-suit for Vinmar International that both delivered in 2018 in the East-Southeast Far Submarket.

The Houston industrial market has expanded rapidly this cycle. In total, more than 80 million SF has delivered, which has expanded the metro's inventory by about 15%. The largest facility built this cycle was the 4-million-SF Daikin HVAC manufacturing and distribution campus in the Northwest Hwy 6 Submarket. It delivered in mid-2016 at a cost of over \$500 million and employs more than 5,000 people. It is purported to be the world's largest HVAC manufacturing facility. Besides the Daikin campus, two of the largest facilities built this cycle occurred in Brookshire, Texas, west of Houston: the 1.5-million-SF Rooms to Go distribution center in 2010 and the 1-million-SF Amazon distribution center in 2018.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Houston Industrial

Properties

195

Square Feet

20,456,241

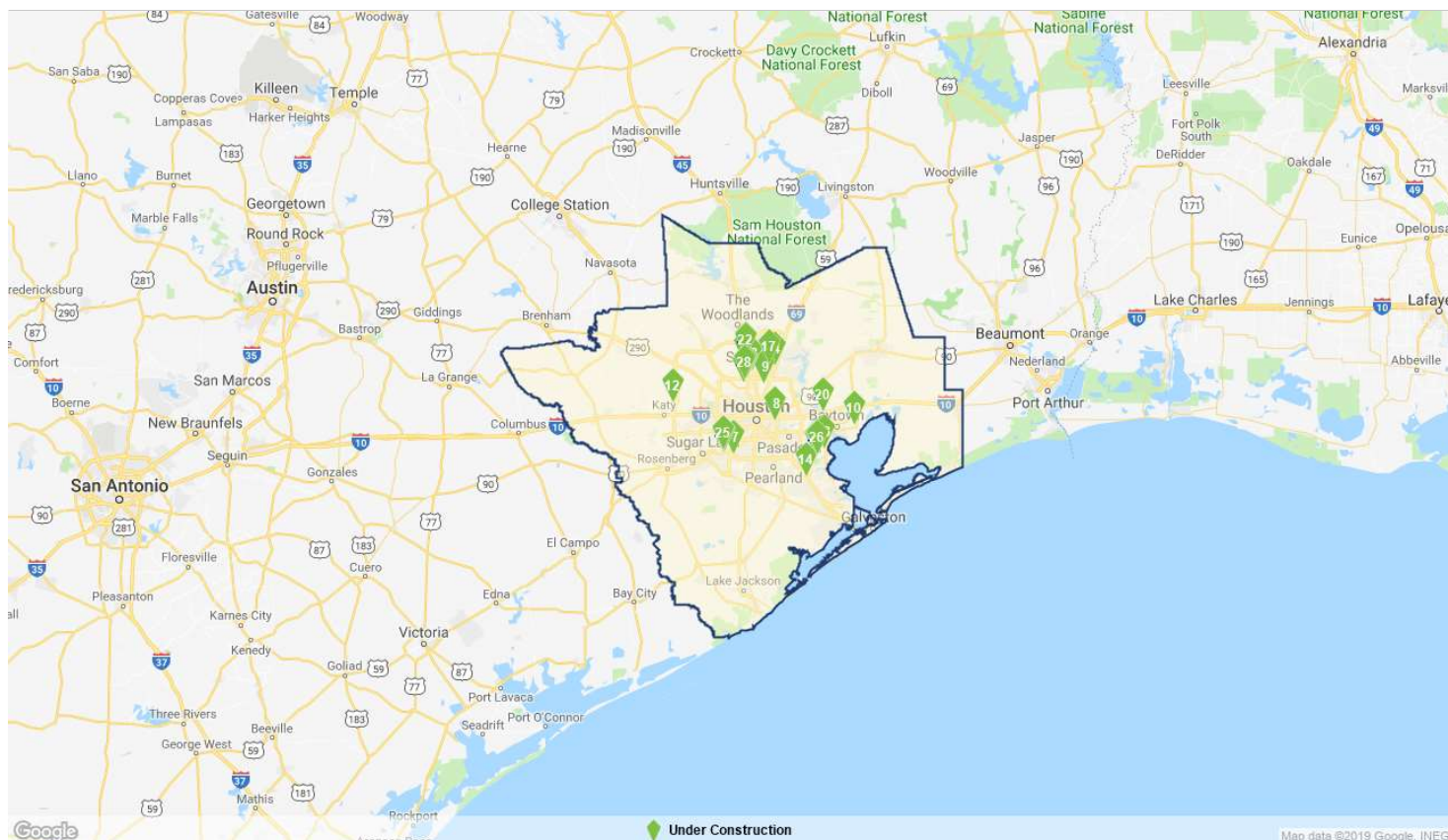
Percent of Inventory

3.6%

Released

24.2%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Coca-Cola Southwest Be... Fallbrook Dr	★★★★★	1,000,000	1	Sep-2018	Feb-2020	Hines The Coca-Cola Company
2 Phase III 10629 Red Bluff Rd	★★★★☆	784,000	1	Feb-2019	Jan-2020	Stream Realty Partners, LP Principal Financial Group, Inc.
3 Grocers Supply 14803 Woodham Dr	★★★★★	727,600	1	May-2018	Jun-2019	Liberty Property Trust Liberty Property Trust
4 Air 59 Logistics Center Hwy 59 & Will Clayton Pky	★★★★☆	685,400	1	Mar-2019	Jul-2019	USAA Real Estate Archway Advisors LLC
5 Conn's HomePlus 1401 N Rankin Rd	★★★★☆	656,658	1	Aug-2018	Jun-2019	Liberty Property Trust Liberty Property Trust
6 10575 Red Bluff Rd	★★★★☆	642,994	1	Feb-2019	Dec-2019	Panattoni Development Company Panattoni Development Company
7 Bldg 8 Fuqua & Beltway 8	★★★★☆	534,440	-	May-2019	May-2020	Hines Hines Securities, Inc.

Under Construction Properties

Houston Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Building 3 Mccarty St & Plummer St	★ ★ ★ ★ ★	526,094	1	Feb-2019	Nov-2019	NorthPoint Development -
9 Kennedy Greens Distrib... 13300 John F Kennedy Blvd	★ ★ ★ ★ ★	524,160	1	Apr-2019	Dec-2019	Clay Development & Construction Clay Development & Construction
10 PBP Building 5055 E Grand Parkway S	★ ★ ★ ★ ★	519,224	-	Sep-2018	Jun-2019	Reed; E E Co Corporation Artis REIT
11 Southwest Commerce C... 611 S Cravens Rd	★ ★ ★ ★ ★	477,355	1	May-2018	Jun-2019	Ridge Development Transwestern
12 3900 Peek Rd	★ ★ ★ ★ ★	433,200	1	Mar-2019	Jan-2020	Duke Realty Corporation Duke Realty Corporation
13 Fairway North Logistics... Rankin & Hardy Toll	★ ★ ★ ★ ★	392,480	1	Apr-2019	Nov-2019	- -
14 American Furniture War... I-45 N	★ ★ ★ ★ ★	355,000	1	Mar-2019	Sep-2019	- American Furniture Warehouse
15 Building 9 631 Buffalo Lakes Dr	★ ★ ★ ★ ★	352,769	1	Oct-2018	Jun-2019	- -
16 Building G 30 Esplanade Blvd	★ ★ ★ ★ ★	351,400	1	Aug-2018	Oct-2019	IDI Logistics Oxford Properties Group
17 Point North Three 8221 Volta Dr	★ ★ ★ ★ ★	337,700	1	Jan-2018	Jun-2019	Duke Realty Corporation Duke Realty Corporation
18 Phase III 10611 Red Bluff Rd	★ ★ ★ ★ ★	297,400	1	Apr-2019	Feb-2020	Stream Realty Partners, LP Principal Financial Group, Inc.
19 411 Cravens Rd	★ ★ ★ ★ ★	290,373	1	Mar-2019	Sep-2019	4M Investments Fairway Medical Technologies, Inc.
20 Building 2 I-10 & Thompson Rd	★ ★ ★ ★ ★	260,148	1	Aug-2018	Jun-2019	Investment & Development Ventu... Investment & Development Ventu...
21 Building 2 Cypress Slough Dr	★ ★ ★ ★ ★	257,890	1	Apr-2019	Dec-2019	Davis Commercial Development Davis Commercial Development
22 Building 1 Cypress Slough Dr	★ ★ ★ ★ ★	257,890	1	Apr-2019	Dec-2019	Davis Commercial Development Davis Commercial Development
23 Bldg B1 1901 Wharton Weems Blvd	★ ★ ★ ★ ★	252,924	1	Nov-2018	Jun-2019	Liberty Property Trust Liberty Property Trust
24 Phase III 10619 Red Bluff Rd	★ ★ ★ ★ ★	251,680	1	Feb-2019	Jan-2020	Stream Realty Partners, LP Principal Financial Group, Inc.
25 9333 S Sam Houston Pk...	★ ★ ★ ★ ★	248,930	1	Mar-2019	Sep-2019	4M Investments Fairway Medical Technologies, Inc.
26 10575 Red Bluff	★ ★ ★ ★ ★	248,240	1	Jan-2019	Jul-2019	Johnson Development Associate... -
27 Park 8 11945 North Fwy	★ ★ ★ ★ ★	242,760	1	Mar-2019	Nov-2019	Avera Companies Avera Companies
28 10484 Greens Crossing...	★ ★ ★ ★ ★	239,814	1	Oct-2018	Jun-2019	Johnson Development Associate... Johnson Development Associate...

Industrial transaction activity in Houston remains red-hot, similar to what is being experienced in several large U.S. metros. A staggering 1,300 industrial transactions took place in 2018. Institutional buyers now make up the majority of the buyer pool, at 38% in 2018, versus 33% for REIT/Public, 15% private, and 8% private equity. A majority of deals occurred for product at the lower end of the quality spectrum. The average rating for deals that traded in 2018 was 2 Star, and the average year built was 1988. Nearly two-thirds of the deals that traded were rated 1 & 2 Star, versus 23% for 3 Star and only 8% for 4 & 5 Star. And nearly 20% of transactions took place in just two Houston submarkets: East-Southeast Far (near the Port of Houston) and Northwest Inner Loop (a hotbed of logistics activity near the growing population center).

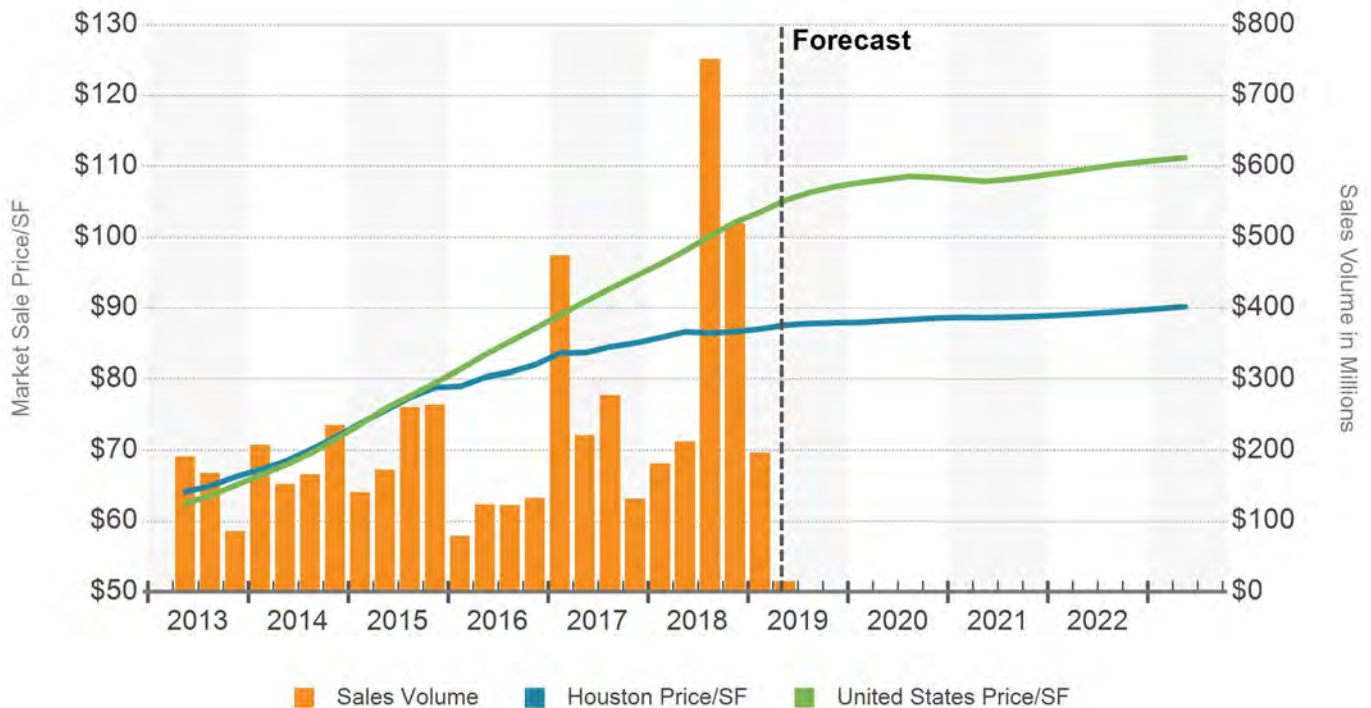
As institutional capital continued to increase its allocation to the industrial property sector, Houston benefited from record pricing. Industrial deals traded for a record average cap rate of 6.6%. Transaction volume of \$1.45 billion in 2018 set a record high and was up 34% from the prior year. And large portfolio trades accounted for a significant amount of volume; all of the top 50 trades in Houston in 2018 by sales price were part of portfolio trades.

The Blackstone Group completed the acquisition of Gramercy Property Trust (GPT) in October 2018 in a deal valued at \$7.6 billion. As of June 2018, GPT reported owning 355 properties totaling 81,134,150 SF. The portfolio was reported at 96.7% occupancy. The estimated cap rate based on net income annualized was 5.61%. This trade included eight properties in Houston totaling nearly 800,000 SF.

In March 2018, The Blackstone Group LP also acquired a portfolio of 146 industrial properties totaling 21.7 million SF from Cabot Properties, Inc. for \$1.805 billion, which included eight properties in Houston totaling 3.5 million SF (\$315 million in allocated value). The portfolio was 90% leased at the time of sale, and the cap rate was estimated based on reported annualized base rent as 5.56%.

Prologis' acquisition of DCT Industrial in August 2018 accounted for 29 trades in Houston and totaled 459 properties across the United States for \$8.5 billion. The subject properties were overall 97.1% occupied at the time of sale, and the overall in-place cap rate was reported at 4.6%. The buyer assumed a total of \$1.8 billion of debt, \$850 million of which was paid off at closing, with multiple lenders.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Houston Industrial

Sale Comparables

1,272

Avg. Cap Rate

6.9%

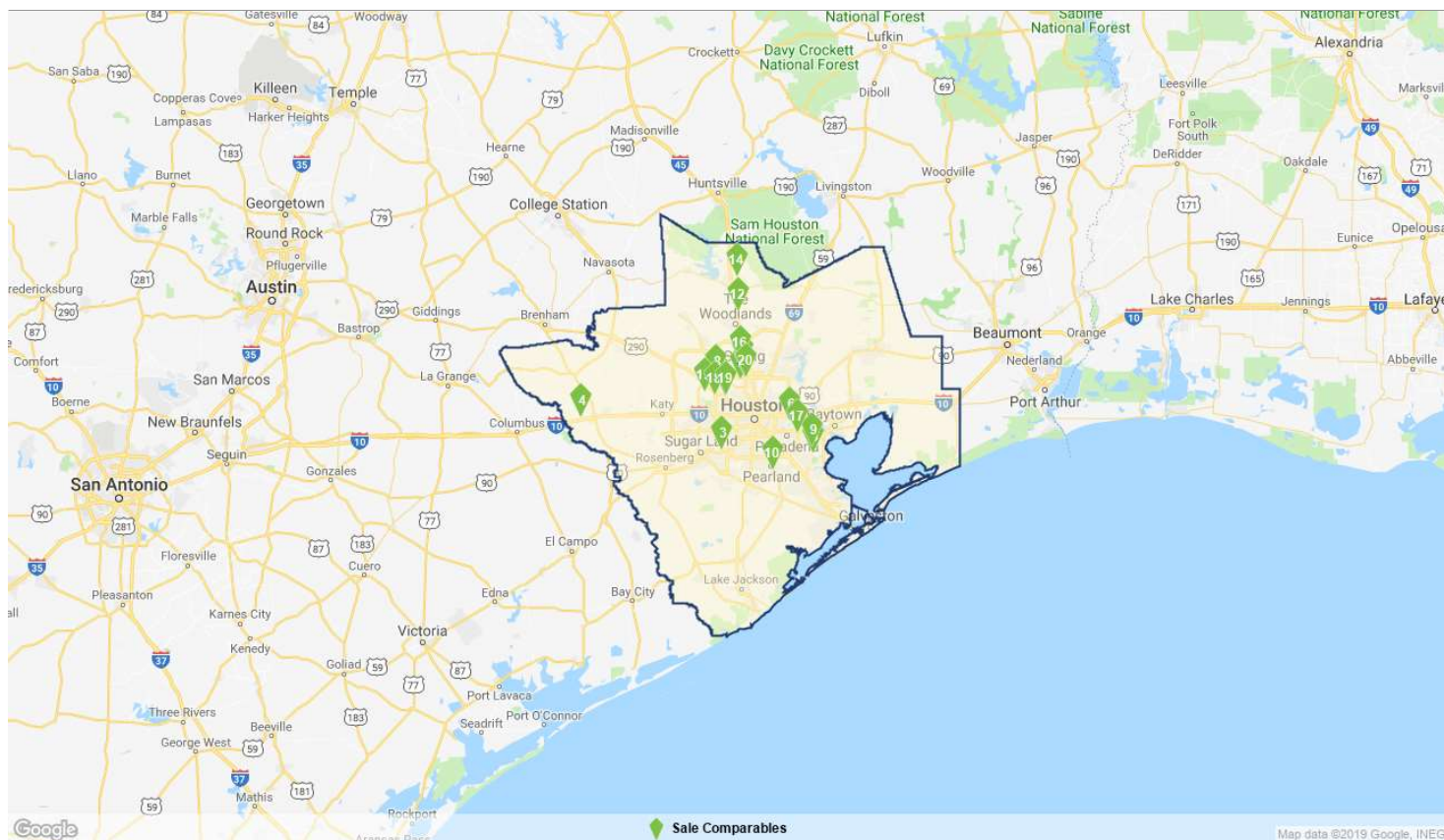
Avg. Price/SF

\$77

Avg. Vacancy At Sale

12.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$258	\$4,746,853	\$1,468,079	\$61,619,859
Price Per SF	\$0.14	\$77	\$79	\$600
Cap Rate	4.6%	6.9%	7.0%	22.0%
Time Since Sale in Months	0.1	6.4	6.7	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,003	35,253	12,517	928,035
Ceiling Height	8'	20'4"	19'	75'
Docks	0	5	0	189
Vacancy Rate At Sale	0%	12.7%	0%	100%
Year Built	1891	1988	1984	2019
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Houston Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Alamo Crossing Comme... 7909 Northcourt Rd	★★★★★	2001	644,848	0%	9/28/2018	\$61,619,859	\$96	-
2 Emser Tile 10433 Ella Blvd	★★★★☆	2018	601,426	0%	7/6/2018	\$49,400,000	\$82	4.7%
3 Best Buy Distribution Ce... 636 Highway 90	★★★★☆	2018	554,536	0%	11/1/2018	\$48,000,000	\$87	-
4 5000 Interstate 10	★★★★☆	-	928,035	57.2%	12/14/2018	\$45,000,000	\$48	-
5 Unis 10535 Red Bluff Rd	★★★★☆	2018	257,835	0%	8/20/2018	\$36,950,000	\$143	5.5%
6 13770 Industrial Rd	★★★★☆	1960	447,605	0%	5/8/2018	\$34,000,000	\$76	6.5%
7 Phase 1 11717 Windfern Rd	★★★★★	2015	362,180	0%	8/22/2018	\$33,155,990	\$92	4.6%
8 Phase II 11747 Windfern Rd	★★★★★	2015	320,430	0%	8/22/2018	\$29,333,960	\$92	4.6%
9 Building 2 4925 Underwood Rd	★★★★★	2018	369,755	0%	10/12/2018	\$28,328,869	\$77	4.8%
10 3730 S Main St	★★★★☆	2017	225,000	0%	9/5/2018	\$27,300,000	\$121	-
11 Building G 30 Esplanade Blvd	★★★★☆	2019	351,400	100%	11/30/2018	\$27,281,925	\$78	-
12 Halliburton Drill Bits & S... 16548 Donwick Dr	★★★☆☆	1982	252,662	0%	6/29/2018	\$27,170,000	\$108	6.8%
13 DCT Airtex Industrial Ce... 14700 North Fwy	★★★★★	2013	267,170	0%	8/22/2018	\$25,755,241	\$96	4.6%
14 FedEx Freight 3400 Pollok Dr	★★★★☆	2018	75,351	13.3%	12/19/2018	\$25,739,730	\$342	5.9%
15 Northwest Logistics Cen... 6751 N Eldridge Pky	★★★★☆	2018	411,442	100%	8/3/2018	\$25,710,000	\$62	-
16 Building 2 1902 Cypress Station Dr	★★★★★	2015	284,170	0%	12/31/2018	\$25,215,526	\$89	4.9%
17 Energy Commerce, Bldg D 615 E Sam Houston Pky	★★★★☆	2018	232,960	100%	12/18/2018	\$22,804,106	\$98	-
18 DCT Northwest 8 Distrib... 10650 Okanella Ln	★★★★★	2012	267,273	0%	8/22/2018	\$20,262,859	\$76	4.6%
19 Corporate Express 6400 Hollister Rd	★★★★☆	2000	222,000	0%	8/22/2018	\$20,212,203	\$91	4.6%
20 Building D 101 Esplanade Blvd	★★★★☆	2008	244,864	0%	11/30/2018	\$19,010,704	\$78	-

It appears that Houston's employment base did not grow as fast last year as previously estimated. However, job growth remained robust as Houston's economy continued to rebound from the effects of the oil downturn and Hurricane Harvey. When the BLS revisions were published in March for the prior year, it showed that Houston added 73,300 jobs versus the 108,300 that it was initially reporting prior to the announcement—a downward revision of 35,000 jobs. These types of revisions are standard.

The biggest changes were in the construction and professional and business services sectors, where numbers revised down by about half. It is likely that the BLS overestimated construction-sector growth as a result of repairs in the immediate aftermath of Harvey. That demand had cooled by mid-2018.

In the professional and business services sector, lower-paying, contract-labor jobs such as administrative services—especially employment services—grew faster than higher-paying jobs such as those in the architectural and engineering subsector. Still, this marked an above-average year, with employment growing 2.4% versus the 20-year average of 1.7%. The University of Houston's Institute for Regional Forecasting forecasts that Houston will add approximately 60,000 jobs in 2019; the Federal Reserve Bank of Dallas-Houston Branch forecasts 62,000 jobs and the Greater Houston Partnership pins this number at 71,000.

As of April 2019, West Texas Intermediate (WTI) oil was trading between \$60/barrel and \$65/barrel, down from a recent high of \$75/barrel in October 2018, portending caution in the energy industry with regards to 2019 capital expenditures and hiring plans. The U.S. Energy Information Administration forecasts WTI to average \$54/barrel in 2019 and \$60/barrel in 2020.

Structural changes in Houston's energy industry are afoot. Although nearly one-third of energy jobs lost during the oil downturn have been gained back, there are some notes of caution. Technological progress has increased energy companies' ability to do more with less and may result in less demand for traditional oil and gas jobs in the future. For instance, the industry is seeing a brisk uptick in demand for data scientists, while the hiring rate for more traditional oil and gas engineering jobs has been slower to recover.

Houston's economy has diversified measurably since the 1980s, especially since globalization and increased

mobility have allowed Houston's deep bench of professional and business services talent to more broadly serve clients across the globe and in industries beyond oil and gas. However, as the Energy Capital of the World, Houston's economy remains predominately influenced by changes in the energy sector. Nearly half of Houston's Gross Metro Product (GMP) remains tied to energy.

CoStar assumes a general cooling in the U.S. economy in 2020, which would negatively impact Houston, although Houston is the only major U.S. metro to have "corrected" this cycle in terms of office and multifamily performance and transaction values. Moreover, Houston has experienced unprecedented population and employment growth this cycle, and its low cost of living, low-tax rate, business-friendly environment, diversity, temperate climate, and increasing quality of life should continue to attract residents and support economic growth.

Houston has an important question to answer regarding the future of the energy industry in the face of climate change. Will it make the transition to a true, all-encompassing "energy" city, including renewables? The Ion in Midtown, which will serve as the de-facto hub of a Houston Innovation District in Midtown upon completion in late 2020, will be a welcome addition to Houston's growing tech ecosystem. There is also significant talk of large tech companies eyeing Houston for work in big data related to the energy and healthcare industries. And The Texas Medical Center | 3 project, which will create a \$1.5 billion collaborative research campus with the purpose of fostering a life sciences and biotech scene in Houston, could also add to the flavor of Houston's resilient economy.

Long-term, Houston should also see significant changes to its infrastructure as it works to accommodate a wave of new residents. Construction on the \$7 billion North Houston Highway Improvement Project (NHHIP) should begin in 2020 and take more than eight years to complete. This will include a \$3 billion reconstruction of the highways in around Downtown Houston, which will create generational opportunities to build new parks connecting area neighborhoods.

METRO is also moving toward a \$3 billion bond vote for its 20-year transit plan that would include 20 more miles of light rail, 75 miles of bus rapid transit, and 110 miles of two-way HOV lanes along area freeways. And then there are plans for the Texas Central Railway, a 90-

minute, high-speed train connecting Dallas and Houston using Japanese Shinkansen technology. As of March 2019, Texas Central Partners had taken out a \$300 million loan on the project, which is expected to cost

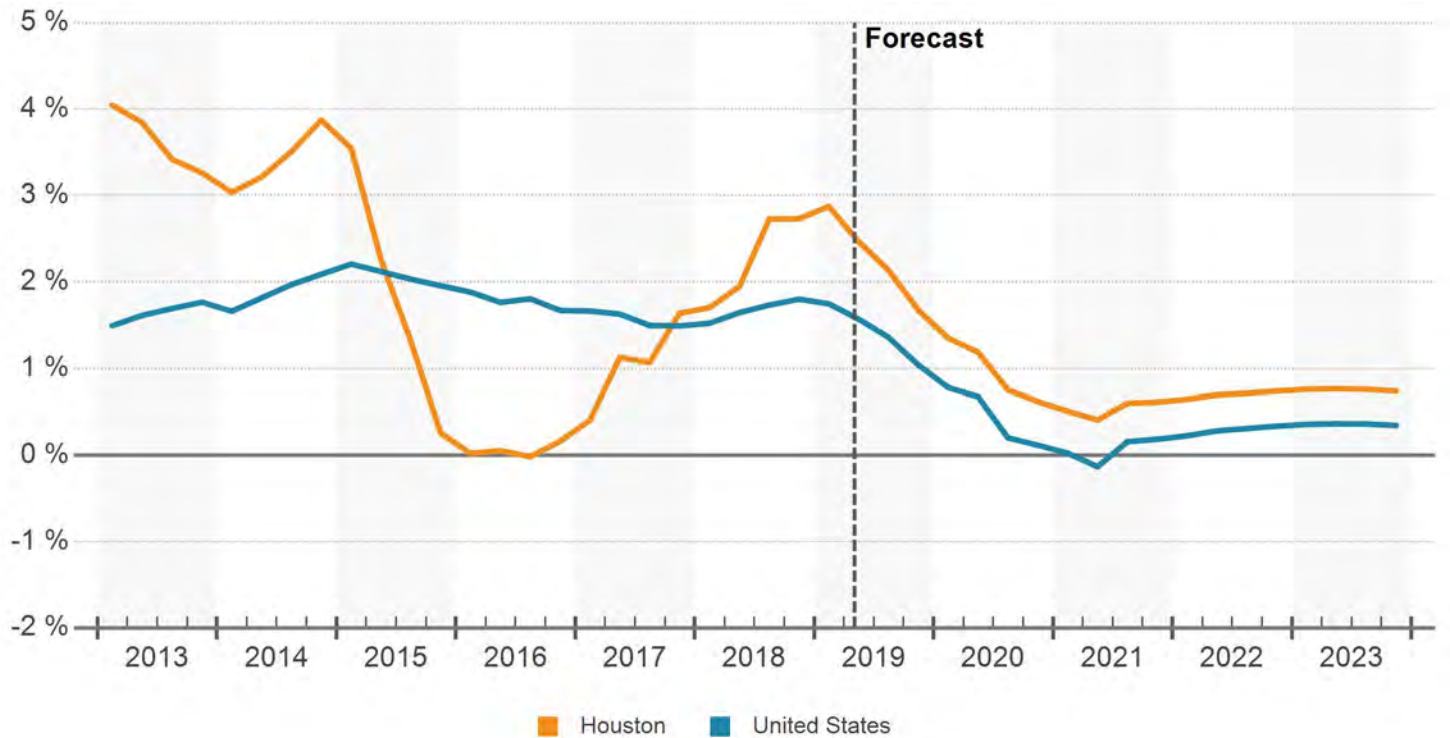
between \$12 billion and \$20 billion, and had purchased one-third of the land needed for the development to move forward. Service could begin as soon as 2024.

HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	235	0.9	4.53%	1.81%	0.13%	0.52%	0.60%	0.13%
Trade, Transportation and Utilities	633	1.1	1.99%	1.10%	1.77%	1.04%	1.30%	0.47%
Retail Trade	306	0.9	-0.67%	0.03%	1.43%	0.78%	0.88%	0.34%
Financial Activities	167	0.9	1.13%	1.28%	1.48%	0.87%	1.23%	0.45%
Government	408	0.9	1.22%	0.46%	0.92%	-0.03%	1.12%	0.78%
Natural Resources, Mining and Construction	313	1.8	5.40%	3.86%	1.06%	1.58%	0.60%	0.34%
Education and Health Services	400	0.8	2.39%	2.10%	3.16%	2.09%	0.84%	0.34%
Professional and Business Services	509	1.1	3.07%	2.52%	2.81%	2.42%	1.80%	0.93%
Information	31	0.5	0.01%	-0.02%	-1.13%	-0.11%	0.05%	0.46%
Leisure and Hospitality	334	1.0	3.28%	2.33%	3.57%	2.38%	1.21%	0.42%
Other Services	116	0.9	3.14%	1.22%	1.86%	0.89%	0.76%	0.24%
Total Employment	3,145	1.0	2.74%	1.70%	1.90%	1.30%	1.13%	0.51%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



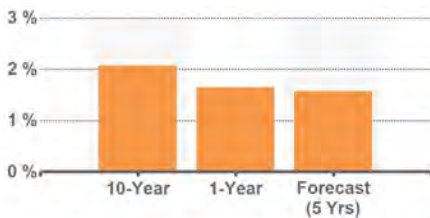
Source: Oxford Economics

DEMOGRAPHIC TRENDS

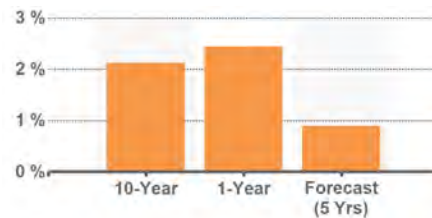
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	7,078,650	328,870,125	1.6%	0.7%	2.1%	0.7%	1.6%	0.7%
Households	2,382,374	121,153,320	1.5%	0.6%	2.0%	0.7%	1.5%	0.6%
Median Household Income	\$66,749	\$63,643	3.1%	3.7%	1.8%	2.1%	3.3%	3.2%
Labor Force	3,477,850	163,430,438	2.4%	1.1%	2.1%	0.6%	0.9%	0.4%
Unemployment	4.0%	3.8%	-0.6%	-0.2%	-0.3%	-0.5%	-	-

Source: Oxford Economics

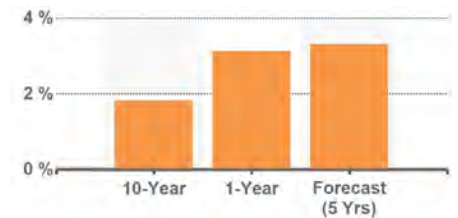
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Austin County	34	1,633	0.3%	28	0	0	0%	-	0	-	-	-
2	CBD-NW Inner Loop	521	12,445	2.0%	22	0	0	0%	-	0	-	-	-
3	Downtown Houston	904	32,412	5.2%	5	0	0	0%	-	0	-	-	-
4	East I-10 Outer Loop	215	14,017	2.2%	19	1	10	0.1%	18	0	-	-	-
5	East-Southeast Far	2,195	75,516	12.0%	1	38	5,522	7.3%	1	23	4,977	6.6%	1
6	Hwy 290/Tomball Pky	665	25,104	4.0%	10	13	1,145	4.6%	4	3	369	1.5%	10
7	Hwy 59/Hwy 90 (Alt)	1,043	26,205	4.2%	9	3	572	2.2%	6	21	1,153	4.4%	6
8	Liberty County	66	1,400	0.2%	29	0	0	0%	-	0	-	-	-
9	North Fwy/Tomball Pky	948	28,436	4.5%	6	13	1,214	4.3%	3	13	2,330	8.2%	3
10	North Hardy Toll Road	852	36,758	5.9%	4	12	265	0.7%	10	19	3,354	9.1%	2
11	North Inner Loop	196	5,315	0.8%	25	0	0	0%	-	0	-	-	-
12	North Outer Loop	1,094	24,938	4.0%	11	2	120	0.5%	13	4	901	3.6%	7
13	Northeast Hwy 321	110	1,836	0.3%	27	1	5	0.3%	19	0	-	-	-
14	Northeast Hwy 90	643	20,621	3.3%	14	8	486	2.4%	9	6	850	4.1%	8
15	Northeast I-10	171	4,447	0.7%	26	0	0	0%	-	0	-	-	-
16	Northeast Inner Loop	191	12,150	1.9%	23	0	0	0%	-	0	-	-	-
17	Northwest Hwy 6	417	12,862	2.0%	21	27	605	4.7%	5	14	319	2.5%	11
18	Northwest Inner Loop	1,783	64,303	10.2%	2	3	87	0.1%	15	2	52	0.1%	16
19	Northwest Near	826	20,171	3.2%	15	1	13	0.1%	17	4	32	0.2%	17
20	Northwest Outliers	618	26,960	4.3%	8	24	2,300	8.5%	2	31	2,032	7.5%	4
21	South Hwy 35	1,774	40,077	6.4%	3	8	132	0.3%	12	5	82	0.2%	15
22	South Inner Loop	406	13,339	2.1%	20	0	0	0%	-	0	-	-	-
23	Southeast Outer Loop	424	18,061	2.9%	16	0	0	0%	-	1	526	2.9%	9
24	Southwest Far	595	14,241	2.3%	18	8	102	0.7%	14	13	1,558	10.9%	5
25	Southwest Inner Loop	450	7,544	1.2%	24	1	2	0%	20	0	-	-	-
26	Southwest Outer Loop	697	14,967	2.4%	17	3	22	0.1%	16	0	-	-	-
27	Sugar Land	515	22,836	3.6%	12	4	195	0.9%	11	5	292	1.3%	12
28	The Woodlands/Conroe	1,141	21,666	3.5%	13	37	514	2.4%	8	19	255	1.2%	13
29	West Outer Loop	823	27,420	4.4%	7	17	541	2.0%	7	4	96	0.3%	14

SUBMARKET RENT

No.	Submarket	Asking Rent		12 Month Asking Rent		Annualized Quarterly Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Austin County	\$8.65	5	4.4%	1	-0.5%	22
2	CBD-NW Inner Loop	\$7.90	9	2.2%	6	-0.2%	14
3	Downtown Houston	\$5.37	27	2.5%	4	2.2%	4
4	East I-10 Outer Loop	\$5.83	25	2.6%	3	-0.3%	17
5	East-Southeast Far	\$7.30	16	1.5%	22	-1.2%	28
6	Hwy 290/Tomball Pky	\$7.57	14	1.2%	27	-0.2%	11
7	Hwy 59/Hwy 90 (Alt)	\$7.69	12	1.4%	24	-0.3%	19
8	Liberty County	\$7.05	19	1.6%	18	-0.7%	23
9	North Fwy/Tomball Pky	\$7.75	10	1.5%	19	3.7%	1
10	North Hardy Toll Road	\$7.38	15	1.1%	28	2.4%	3
11	North Inner Loop	\$5.62	26	1.8%	12	-0.4%	20
12	North Outer Loop	\$6.91	20	1.6%	16	0.4%	6
13	Northeast Hwy 321	\$9.38	2	1.7%	15	-0.3%	15
14	Northeast Hwy 90	\$7.28	17	1.8%	10	-2.0%	29
15	Northeast I-10	\$6.75	22	1.5%	20	-0.2%	12
16	Northeast Inner Loop	\$5.05	29	1.4%	25	-0.2%	10
17	Northwest Hwy 6	\$8.20	7	2.8%	2	-0.3%	16
18	Northwest Inner Loop	\$7.10	18	1.5%	23	-0.2%	9
19	Northwest Near	\$6.79	21	1.6%	17	-0.1%	8
20	Northwest Outliers	\$8.44	6	1.4%	26	-0.4%	21
21	South Hwy 35	\$6.66	23	1.9%	9	0.6%	5
22	South Inner Loop	\$6.35	24	1.7%	14	-1.0%	27
23	Southeast Outer Loop	\$5.30	28	0.6%	29	0%	7
24	Southwest Far	\$8.20	8	1.8%	11	-1.0%	26
25	Southwest Inner Loop	\$9.54	1	2.1%	7	-0.7%	24
26	Southwest Outer Loop	\$9.12	4	1.9%	8	-0.2%	13
27	Sugar Land	\$7.71	11	1.5%	21	-1.0%	25
28	The Woodlands/Conroe	\$9.37	3	2.2%	5	2.6%	2
29	West Outer Loop	\$7.59	13	1.7%	13	-0.3%	18

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Austin County	27,484	1.7%	2	549,862	33.7%	6	-
2	CBD-NW Inner Loop	588,718	4.7%	11	(397,754)	-3.2%	26	-
3	Downtown Houston	1,366,002	4.2%	10	(157,371)	-0.5%	21	-
4	East I-10 Outer Loop	474,187	3.4%	5	(108,316)	-0.8%	18	-
5	East-Southeast Far	5,473,343	7.2%	24	3,699,406	4.9%	1	1.4
6	Hwy 290/Tomball Pky	2,475,737	9.9%	29	(155,001)	-0.6%	20	-
7	Hwy 59/Hwy 90 (Alt)	1,072,553	4.1%	8	1,079,069	4.1%	4	0.5
8	Liberty County	83,549	6.0%	17	300,075	21.4%	9	-
9	North Fwy/Tomball Pky	2,147,510	7.6%	26	1,578,359	5.6%	3	0.4
10	North Hardy Toll Road	2,211,970	6.0%	18	644,956	1.8%	5	0.4
11	North Inner Loop	399,878	7.5%	25	(11,258)	-0.2%	17	-
12	North Outer Loop	951,698	3.8%	6	102,356	0.4%	15	1.2
13	Northeast Hwy 321	22,886	1.2%	1	77,652	4.2%	16	0.3
14	Northeast Hwy 90	1,136,890	5.5%	15	(268,263)	-1.3%	25	-
15	Northeast I-10	271,564	6.1%	19	(163,714)	-3.7%	22	-
16	Northeast Inner Loop	793,640	6.5%	20	(452,769)	-3.7%	27	-
17	Northwest Hwy 6	1,150,249	8.9%	28	335,468	2.6%	8	1.7
18	Northwest Inner Loop	4,268,585	6.6%	21	(840,697)	-1.3%	29	-
19	Northwest Near	1,002,172	5.0%	12	102,665	0.5%	14	-
20	Northwest Outliers	1,852,018	6.9%	22	1,967,736	7.3%	2	1.0
21	South Hwy 35	1,651,091	4.1%	9	(170,493)	-0.4%	23	-
22	South Inner Loop	718,291	5.4%	14	(235,815)	-1.8%	24	-
23	Southeast Outer Loop	560,002	3.1%	3	127,703	0.7%	13	-
24	Southwest Far	846,130	5.9%	16	260,738	1.8%	10	0.2
25	Southwest Inner Loop	255,104	3.4%	4	(828,663)	-11.0%	28	-
26	Southwest Outer Loop	1,064,654	7.1%	23	(151,949)	-1.0%	19	-
27	Sugar Land	914,224	4.0%	7	133,032	0.6%	12	1.5
28	The Woodlands/Conroe	1,879,461	8.7%	27	137,910	0.6%	11	2.9
29	West Outer Loop	1,457,318	5.3%	13	431,893	1.6%	7	1.2

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	691,571,451	9,907,729	1.5%	8,079,162	1.2%	1.2
2022	681,663,722	11,190,673	1.7%	7,856,722	1.2%	1.4
2021	670,473,049	13,625,983	2.1%	8,993,157	1.3%	1.5
2020	656,847,066	15,990,899	2.5%	14,181,462	2.2%	1.1
2019	640,856,167	16,806,213	2.7%	16,753,123	2.6%	1.0
YTD	627,679,106	3,629,152	0.6%	1,937,441	0.3%	1.9
2018	624,049,954	12,605,954	2.1%	9,331,792	1.5%	1.4
2017	611,444,000	9,649,563	1.6%	9,398,906	1.5%	1.0
2016	601,794,437	12,926,579	2.2%	11,073,089	1.8%	1.2
2015	588,867,858	14,748,820	2.6%	12,523,454	2.1%	1.2
2014	574,119,038	9,587,183	1.7%	12,405,223	2.2%	0.8
2013	564,531,855	9,700,981	1.7%	6,990,025	1.2%	1.4
2012	554,830,874	7,318,293	1.3%	10,481,526	1.9%	0.7
2011	547,512,581	4,657,792	0.9%	8,145,245	1.5%	0.6
2010	542,854,789	4,590,179	0.9%	7,959,475	1.5%	0.6
2009	538,264,610	9,164,061	1.7%	3,093,437	0.6%	3.0
2008	529,100,549	16,100,545	3.1%	14,725,957	2.8%	1.1
2007	513,000,004	11,470,562	2.3%	12,875,531	2.5%	0.9

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	112,923,070	634,520	0.6%	387,371	0.3%	1.6
2022	112,288,550	716,695	0.6%	373,473	0.3%	1.9
2021	111,571,855	870,456	0.8%	472,294	0.4%	1.8
2020	110,701,399	1,657,637	1.5%	829,228	0.7%	2.0
2019	109,043,762	(186,462)	-0.2%	647,986	0.6%	-
YTD	108,937,658	(292,566)	-0.3%	317,290	0.3%	-
2018	109,230,224	887,914	0.8%	850,940	0.8%	1.0
2017	108,342,310	154,432	0.1%	417,569	0.4%	0.4
2016	108,187,878	4,180,314	4.0%	3,874,892	3.6%	1.1
2015	104,007,564	652,004	0.6%	948,207	0.9%	0.7
2014	103,355,560	(87,432)	-0.1%	541,896	0.5%	-
2013	103,442,992	1,541,469	1.5%	(150,672)	-0.1%	-
2012	101,901,523	993,618	1.0%	1,466,561	1.4%	0.7
2011	100,907,905	936,482	0.9%	592,424	0.6%	1.6
2010	99,971,423	466,777	0.5%	409,006	0.4%	1.1
2009	99,504,646	799,309	0.8%	(56,243)	-0.1%	-
2008	98,705,337	786,765	0.8%	1,701,892	1.7%	0.5
2007	97,918,572	645,861	0.7%	750,322	0.8%	0.9

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	524,307,853	8,993,389	1.7%	7,384,812	1.4%	1.2
2022	515,314,464	10,157,963	2.0%	7,193,814	1.4%	1.4
2021	505,156,501	12,371,712	2.5%	8,212,903	1.6%	1.5
2020	492,784,789	14,044,202	2.9%	13,008,708	2.6%	1.1
2019	478,740,587	16,554,847	3.6%	15,509,469	3.2%	1.1
YTD	465,926,832	3,741,092	0.8%	1,800,140	0.4%	2.1
2018	462,185,740	11,520,455	2.6%	8,461,360	1.8%	1.4
2017	450,665,285	8,957,099	2.0%	9,448,330	2.1%	0.9
2016	441,708,186	8,362,109	1.9%	7,170,766	1.6%	1.2
2015	433,346,077	13,943,329	3.3%	11,267,082	2.6%	1.2
2014	419,402,748	9,096,377	2.2%	10,926,174	2.6%	0.8
2013	410,306,371	7,475,903	1.9%	5,918,785	1.4%	1.3
2012	402,830,468	5,804,653	1.5%	8,237,197	2.0%	0.7
2011	397,025,815	3,492,357	0.9%	6,330,835	1.6%	0.6
2010	393,533,458	4,008,087	1.0%	6,885,146	1.7%	0.6
2009	389,525,371	7,118,097	1.9%	2,250,562	0.6%	3.2
2008	382,407,274	14,027,586	3.8%	11,744,691	3.1%	1.2
2007	368,379,688	9,536,337	2.7%	10,094,960	2.7%	0.9

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	54,340,528	279,820	0.5%	306,979	0.6%	0.9
2022	54,060,708	316,015	0.6%	289,435	0.5%	1.1
2021	53,744,693	383,815	0.7%	307,960	0.6%	1.2
2020	53,360,878	289,060	0.5%	343,526	0.6%	0.8
2019	53,071,818	437,828	0.8%	595,668	1.1%	0.7
YTD	52,814,616	180,626	0.3%	(179,989)	-0.3%	-
2018	52,633,990	197,585	0.4%	19,492	0%	10.1
2017	52,436,405	538,032	1.0%	(466,993)	-0.9%	-
2016	51,898,373	384,156	0.7%	27,431	0.1%	14.0
2015	51,514,217	153,487	0.3%	308,165	0.6%	0.5
2014	51,360,730	578,238	1.1%	937,153	1.8%	0.6
2013	50,782,492	683,609	1.4%	1,221,912	2.4%	0.6
2012	50,098,883	520,022	1.0%	777,768	1.6%	0.7
2011	49,578,861	228,953	0.5%	1,221,986	2.5%	0.2
2010	49,349,908	115,315	0.2%	665,323	1.3%	0.2
2009	49,234,593	1,246,655	2.6%	899,118	1.8%	1.4
2008	47,987,938	1,286,194	2.8%	1,279,374	2.7%	1.0
2007	46,701,744	1,288,364	2.8%	2,030,249	4.3%	0.6

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$7.61	125	0.8%	5.0%	48,309,615	7.0%	0%
2022	\$7.56	124	0.9%	4.2%	47,905,915	7.0%	0.1%
2021	\$7.49	123	0.8%	3.3%	46,602,861	7.0%	0.2%
2020	\$7.42	122	1.0%	2.4%	44,424,681	6.8%	0.3%
2019	\$7.35	121	1.4%	1.4%	41,451,754	6.5%	0.8%
YTD	\$7.27	119	0.4%	0.4%	37,116,908	5.9%	0.2%
2018	\$7.25	119	1.9%	0%	35,431,497	5.7%	0.4%
2017	\$7.11	117	3.1%	-1.8%	32,126,222	5.3%	-0.1%
2016	\$6.90	113	0.6%	-4.8%	31,942,415	5.3%	0.2%
2015	\$6.86	113	4.0%	-5.3%	30,093,875	5.1%	0.3%
2014	\$6.60	108	3.2%	-9.0%	27,868,509	4.9%	-0.6%
2013	\$6.40	105	2.7%	-11.8%	30,687,285	5.4%	0.4%
2012	\$6.23	102	2.4%	-14.1%	27,976,329	5.0%	-0.6%
2011	\$6.08	100	1.8%	-16.1%	31,139,562	5.7%	-0.7%
2010	\$5.97	98	-1.3%	-17.6%	34,627,015	6.4%	-0.7%
2009	\$6.05	99	-0.6%	-16.5%	37,996,311	7.1%	1.0%
2008	\$6.09	100	1.6%	-15.9%	31,925,687	6.0%	0.1%
2007	\$6.00	98	4.1%	-17.2%	30,551,099	6.0%	-0.5%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$8.75	145	1.1%	10.6%	4,653,570	4.1%	0.2%
2022	\$8.65	143	1.4%	9.4%	4,440,001	4.0%	0.2%
2021	\$8.53	141	1.5%	7.9%	4,168,598	3.7%	0.3%
2020	\$8.40	139	2.3%	6.3%	3,843,334	3.5%	0.9%
2019	\$8.22	136	3.9%	3.9%	2,786,087	2.6%	-0.5%
YTD	\$8.01	132	1.3%	1.3%	2,731,188	2.5%	-0.6%
2018	\$7.91	131	4.8%	0%	3,341,044	3.1%	0%
2017	\$7.55	125	5.3%	-4.6%	3,304,070	3.0%	-0.2%
2016	\$7.17	119	0.9%	-9.4%	3,567,207	3.3%	0.2%
2015	\$7.11	117	7.2%	-10.1%	3,261,785	3.1%	-0.3%
2014	\$6.63	110	4.4%	-16.2%	3,557,988	3.4%	-0.6%
2013	\$6.35	105	2.4%	-19.7%	4,187,316	4.0%	1.6%
2012	\$6.20	102	2.3%	-21.6%	2,495,175	2.4%	-0.5%
2011	\$6.06	100	2.3%	-23.4%	2,968,118	2.9%	0.3%
2010	\$5.92	98	-1.8%	-25.1%	2,624,060	2.6%	0%
2009	\$6.03	100	-0.3%	-23.7%	2,566,289	2.6%	0.8%
2008	\$6.05	100	1.2%	-23.5%	1,710,737	1.7%	-0.9%
2007	\$5.98	99	5.0%	-24.4%	2,625,864	2.7%	-0.1%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$7.02	121	0.7%	3.3%	38,862,682	7.4%	-0.1%
2022	\$6.97	120	0.8%	2.6%	38,619,404	7.5%	0.1%
2021	\$6.92	119	0.6%	1.8%	37,573,731	7.4%	0.2%
2020	\$6.88	119	0.7%	1.2%	35,752,094	7.3%	0.2%
2019	\$6.83	118	0.5%	0.5%	33,801,886	7.1%	1.2%
YTD	\$6.80	117	0%	0%	29,205,377	6.3%	0.4%
2018	\$6.80	117	1.0%	0%	27,270,725	5.9%	0.5%
2017	\$6.73	116	2.8%	-1.0%	24,176,667	5.4%	-0.2%
2016	\$6.54	113	0.7%	-3.7%	24,734,748	5.6%	0.2%
2015	\$6.50	112	3.7%	-4.4%	23,548,355	5.4%	0.5%
2014	\$6.27	108	2.9%	-7.8%	20,872,108	5.0%	-0.6%
2013	\$6.09	105	2.6%	-10.4%	22,702,641	5.5%	0.3%
2012	\$5.94	102	2.1%	-12.7%	21,145,523	5.2%	-0.7%
2011	\$5.82	100	1.9%	-14.4%	23,578,067	5.9%	-0.8%
2010	\$5.71	98	-1.2%	-16.0%	26,416,545	6.7%	-0.8%
2009	\$5.78	100	-0.4%	-15.0%	29,293,604	7.5%	1.1%
2008	\$5.80	100	1.6%	-14.6%	24,426,069	6.4%	0.4%
2007	\$5.71	98	3.8%	-16.0%	22,143,174	6.0%	-0.4%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$10.69	121	0.8%	6.9%	4,793,363	8.8%	-0.1%
2022	\$10.60	120	1.0%	6.0%	4,846,510	9.0%	-0.1%
2021	\$10.49	119	1.0%	5.0%	4,860,532	9.0%	0%
2020	\$10.39	118	1.4%	3.9%	4,829,253	9.1%	-0.1%
2019	\$10.24	116	2.5%	2.5%	4,863,781	9.2%	0%
YTD	\$10.08	114	0.8%	0.8%	5,180,343	9.8%	0.7%
2018	\$9.99	113	2.8%	0%	4,819,728	9.2%	0.3%
2017	\$9.72	110	1.0%	-2.7%	4,645,485	8.9%	1.8%
2016	\$9.62	109	-0.5%	-3.7%	3,640,460	7.0%	0.6%
2015	\$9.67	109	1.5%	-3.2%	3,283,735	6.4%	-0.3%
2014	\$9.53	108	2.9%	-4.7%	3,438,413	6.7%	-0.8%
2013	\$9.26	105	3.7%	-7.4%	3,797,328	7.5%	-1.2%
2012	\$8.92	101	4.5%	-10.7%	4,335,631	8.7%	-0.6%
2011	\$8.54	97	0.6%	-14.5%	4,593,377	9.3%	-2.1%
2010	\$8.49	96	-1.4%	-15.0%	5,586,410	11.3%	-1.1%
2009	\$8.62	98	-2.4%	-13.8%	6,136,418	12.5%	0.4%
2008	\$8.83	100	1.7%	-11.6%	5,788,881	12.1%	-0.3%
2007	\$8.69	98	4.2%	-13.1%	5,782,061	12.4%	-2.0%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$90.68	162	6.6%
2022	-	-	-	-	-	-	\$89.63	160	6.6%
2021	-	-	-	-	-	-	\$88.81	159	6.6%
2020	-	-	-	-	-	-	\$88.57	158	6.5%
2019	-	-	-	-	-	-	\$87.90	157	6.5%
YTD	344	\$211.8 M	1.4%	\$2,379,789	\$71.14	7.7%	\$87.26	156	6.4%
2018	1,312	\$1,663 M	7.1%	\$5,130,718	\$79.94	6.7%	\$86.65	155	6.4%
2017	1,233	\$1,104 M	6.0%	\$3,898,798	\$76.24	7.6%	\$85.05	152	6.3%
2016	923	\$456.6 M	3.8%	\$3,034,421	\$69.78	7.5%	\$82.01	147	6.2%
2015	1,035	\$837.4 M	6.0%	\$4,840,211	\$93.01	6.8%	\$78.85	141	6.3%
2014	985	\$761.0 M	4.8%	\$3,068,474	\$66.16	8.0%	\$71.84	129	6.6%
2013	826	\$475.6 M	5.2%	\$2,556,744	\$52.93	7.3%	\$66.26	119	6.8%
2012	878	\$583.7 M	4.6%	\$2,092,160	\$56.28	8.3%	\$63.09	113	7.0%
2011	582	\$413.7 M	3.4%	\$2,872,861	\$43.71	8.3%	\$58.97	105	7.3%
2010	380	\$238.1 M	2.7%	\$1,936,026	\$47.32	9.0%	\$55.26	99	7.6%
2009	320	\$191.4 M	1.5%	\$1,579,010	\$54.34	9.0%	\$52.26	93	8.0%
2008	485	\$396.2 M	2.8%	\$1,529,772	\$53.06	8.7%	\$55.90	100	7.7%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$98.55	169	6.5%
2022	-	-	-	-	-	-	\$97.05	166	6.5%
2021	-	-	-	-	-	-	\$95.75	164	6.5%
2020	-	-	-	-	-	-	\$95.33	163	6.4%
2019	-	-	-	-	-	-	\$94.01	161	6.4%
YTD	34	\$29.1 M	1.0%	\$4,154,829	\$73.42	7.0%	\$92.22	158	6.4%
2018	126	\$131.1 M	5.4%	\$4,682,701	\$59.79	7.4%	\$91.78	157	6.3%
2017	127	\$132.2 M	4.8%	\$4,407,317	\$96.53	5.4%	\$89.88	154	6.2%
2016	102	\$36.5 M	3.8%	\$3,645,088	\$59.44	8.6%	\$86.86	149	6.1%
2015	90	\$177.7 M	4.5%	\$13,666,086	\$154.58	7.7%	\$83.33	143	6.2%
2014	104	\$38.0 M	2.9%	\$2,531,228	\$48.04	8.0%	\$75.93	130	6.5%
2013	91	\$30.9 M	2.6%	\$1,934,365	\$70.06	7.6%	\$69.49	119	6.7%
2012	83	\$51.1 M	2.8%	\$2,840,024	\$66.12	8.7%	\$66.34	114	6.9%
2011	52	\$18.6 M	1.7%	\$1,329,184	\$36.30	9.2%	\$61.97	106	7.1%
2010	44	\$41.8 M	2.1%	\$3,211,852	\$49.56	8.9%	\$58.19	100	7.5%
2009	40	\$25.6 M	1.3%	\$1,279,505	\$36.72	11.9%	\$54.74	94	7.9%
2008	58	\$65.4 M	2.0%	\$2,043,965	\$58.69	7.8%	\$58.41	100	7.6%

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LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$85.32	160	6.6%
2022	-	-	-	-	-	-	\$84.42	159	6.6%
2021	-	-	-	-	-	-	\$83.75	157	6.6%
2020	-	-	-	-	-	-	\$83.60	157	6.5%
2019	-	-	-	-	-	-	\$83.17	156	6.5%
YTD	271	\$158.3 M	1.5%	\$2,363,332	\$70.26	7.8%	\$82.90	156	6.5%
2018	1,016	\$1,420 M	7.4%	\$5,569,697	\$80.97	6.4%	\$82.32	155	6.4%
2017	943	\$852.2 M	6.0%	\$4,437,005	\$74.94	6.8%	\$80.89	152	6.3%
2016	703	\$385.7 M	3.7%	\$3,323,662	\$73.46	7.5%	\$77.88	146	6.3%
2015	831	\$554.9 M	6.3%	\$4,080,071	\$79.33	6.9%	\$74.98	141	6.3%
2014	756	\$631.1 M	5.1%	\$3,236,376	\$66.16	7.9%	\$68.26	128	6.6%
2013	653	\$402.3 M	5.9%	\$2,646,452	\$50.20	7.3%	\$63.05	119	6.8%
2012	646	\$423.7 M	4.7%	\$2,097,319	\$53.78	8.2%	\$60.03	113	7.0%
2011	428	\$319.6 M	3.8%	\$3,436,588	\$39.95	8.4%	\$56.10	105	7.3%
2010	291	\$171.8 M	2.7%	\$1,735,446	\$46.08	8.9%	\$52.53	99	7.6%
2009	230	\$149.5 M	1.4%	\$1,734,768	\$62.88	8.3%	\$49.73	93	8.0%
2008	339	\$286.1 M	2.7%	\$1,452,102	\$49.18	9.0%	\$53.19	100	7.7%

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FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$123.18	163	6.6%
2022	-	-	-	-	-	-	\$121.71	161	6.6%
2021	-	-	-	-	-	-	\$120.51	160	6.6%
2020	-	-	-	-	-	-	\$119.89	159	6.5%
2019	-	-	-	-	-	-	\$118.38	157	6.5%
YTD	39	\$24.4 M	1.2%	\$1,624,944	\$74.39	7.7%	\$116.76	155	6.4%
2018	170	\$111.4 M	7.2%	\$2,706,442	\$104.45	7.5%	\$115.58	153	6.4%
2017	163	\$119.2 M	8.0%	\$1,954,679	\$68.71	9.4%	\$112.97	150	6.3%
2016	118	\$34.5 M	4.1%	\$1,381,975	\$50.69	7.3%	\$109.72	146	6.2%
2015	114	\$104.8 M	5.9%	\$4,366,989	\$122.03	6.1%	\$104.95	139	6.3%
2014	125	\$91.9 M	5.8%	\$2,418,943	\$78.36	8.6%	\$95.94	127	6.6%
2013	82	\$42.3 M	4.0%	\$2,352,434	\$79.95	7.2%	\$88.86	118	6.8%
2012	149	\$108.9 M	7.8%	\$1,846,334	\$63.34	8.5%	\$84.24	112	6.9%
2011	102	\$75.5 M	4.3%	\$2,040,017	\$79.36	8.1%	\$78.86	105	7.2%
2010	45	\$24.6 M	3.9%	\$2,233,444	\$53.28	10.0%	\$74.05	98	7.6%
2009	50	\$16.3 M	2.8%	\$1,085,336	\$36.39	9.0%	\$70.15	93	7.9%
2008	88	\$44.7 M	4.8%	\$1,491,330	\$83.42	8.1%	\$75.38	100	7.6%

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