



Industrial Market Report

Houston - TX

PREPARED BY



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REAL ESTATE SOLUTIONS

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CoStar™

INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

16 M

12 Mo Net Absorption in SF

5.2 M

Vacancy Rate

7.2%

12 Mo Rent Growth

0.9%

The amount of new industrial space under construction in Houston today has reached unprecedented levels, which should give some pause for concern, if not for the significant amount of build-to-suits underway.

Yet absorption levels remain high and vacancies low, which should help Houston industrial weather any potential storm, although new spec development remains an area of concern.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	483,687,230	7.9%	\$6.90	12.9%	(737,705)	1,510,314	24,991,247
Specialized Industrial	112,851,919	3.2%	\$7.96	5.0%	(162,970)	62,850	2,004,414
Flex	53,119,642	10.0%	\$10.50	13.2%	(191,593)	0	353,714
Market	649,658,791	7.2%	\$7.36	11.6%	(1,092,268)	1,573,164	27,349,375
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.3%	6.3%	8.4%	9.2%	2004 Q1	4.2%	1999 Q1
Net Absorption SF	5.2 M	8,194,541	12,021,992	19,799,161	2005 Q2	(583,887)	2001 Q2
Deliveries SF	16 M	10,777,976	17,408,233	17,275,242	2009 Q1	3,525,866	2011 Q1
Rent Growth	0.9%	2.0%	0.9%	8.3%	2000 Q2	-2.1%	2010 Q3
Sales Volume	\$1.6 B	\$536.1M	N/A	\$1.8B	2019 Q3	\$126.5M	1999 Q4

Houston has the third-most industrial space under construction in the U.S. after Dallas-Fort Worth and the Inland Empire. And the metro ranked third for new deliveries last year.

The good news is that Houston leasing activity remains near-record highs, and the metro ranked fifth last year for net absorption. Trade, transportation, and utilities tenants comprised more than two-thirds of leasing activity last year, suggesting that population-driven, e-commerce and logistics activities drove demand in the market.

New build-to-suits moved the needle in terms of leasing activity in 2019, while the largest move-outs were generally from older-generation space.

Among the largest, Home Depot leased 770,000 SF for 20 years at its new Hines build-to-suit in northwest Houston.

Rooms To Go renewed a 375,000-SF lease at its build-to-suit in Brookshire on the south side of I-10, which is owned by Exeter Property Group.

Transportation company Eugene B. Smith & Co. leased 345,000 SF at the 3 Star warehouse at 411 Brisbane St., which is owned by Auburndale Properties, in the South Hwy 35 Submarket.

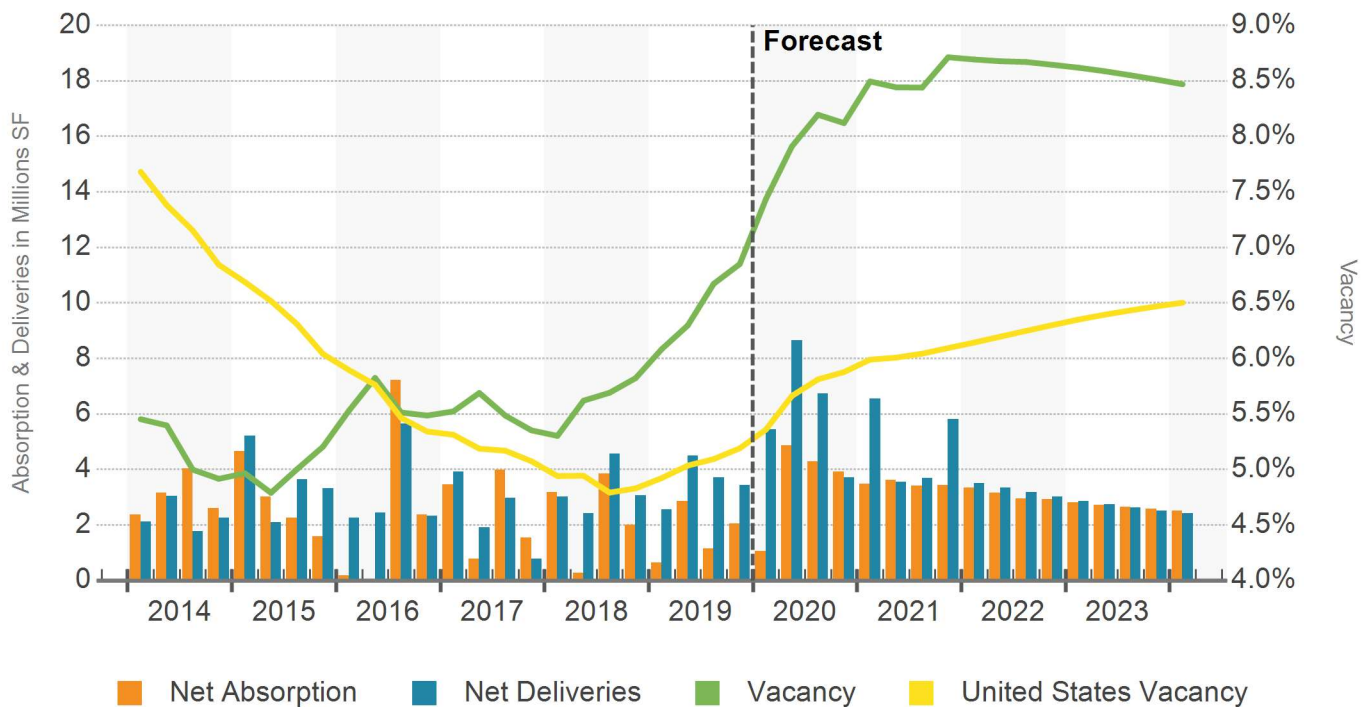
Among the largest move-ins, Grocers Supply occupied 727,000 SF at its build-to-suit in the North Hardy Toll Road Submarket, which was developed and is owned by Liberty Property Trust.

Costco Wholesale moved into its 550,000-SF build-to-suit in Brookshire on the north side of I-10 at the beginning of this year; the property was developed by Jackson Dean Construction and is owned by the tenant.

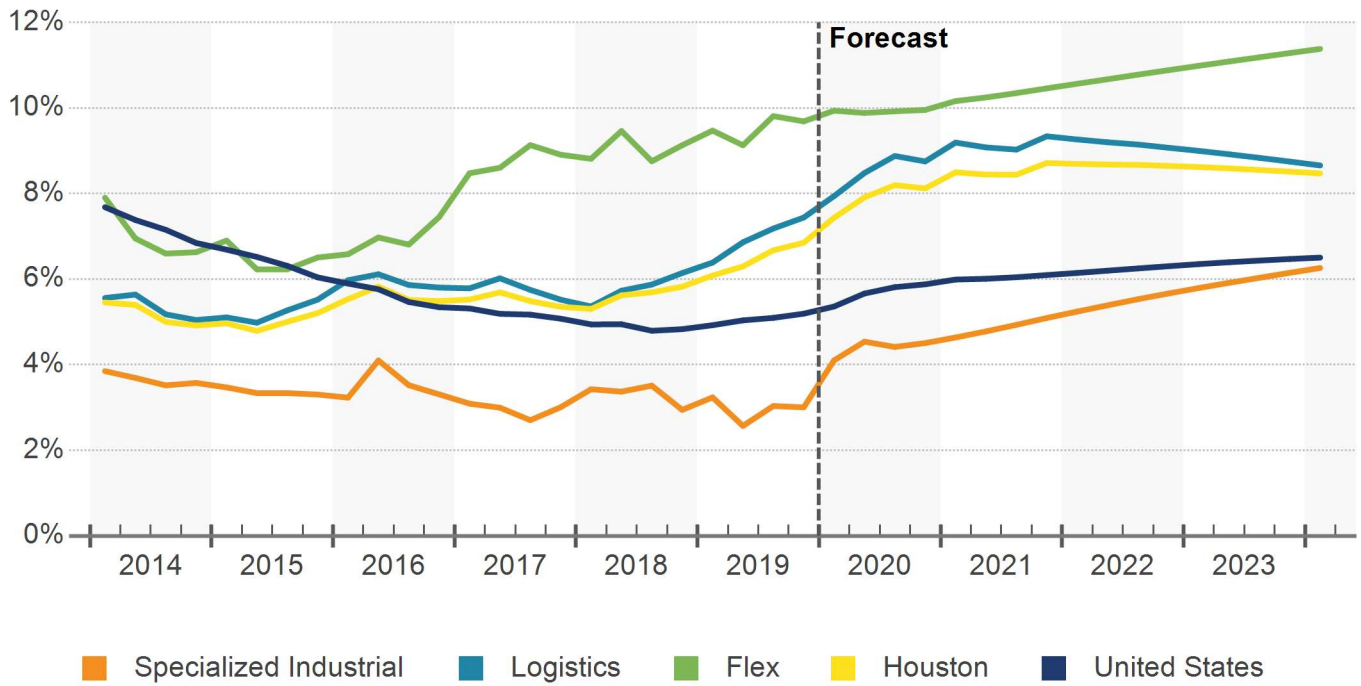
Plastic Bagging & Packaging moved into its 520,000-SF build-to-suit in Baytown, which was developed by E.E. Reed Construction and is owned by Artis REIT.

Houston's industrial vacancy rate has risen from sub-5% in 2014 to nearly 7.2% today. CoStar forecasts the vacancy rate to stabilize around 8% over the next five years. To put 8% vacancy into perspective, Houston is tied with Phoenix for the highest industrial vacancy rate out of the 25 largest U.S. cities.

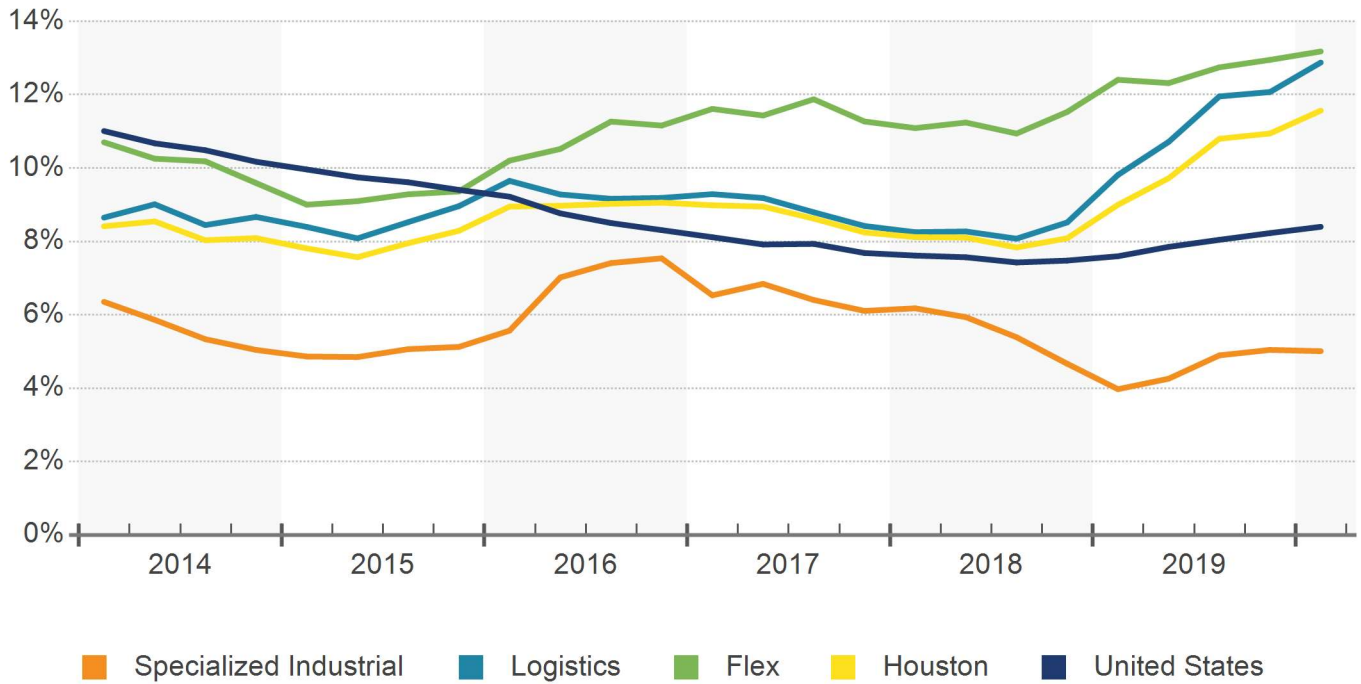
NET ABSORPTION, NET DELIVERIES & VACANCY



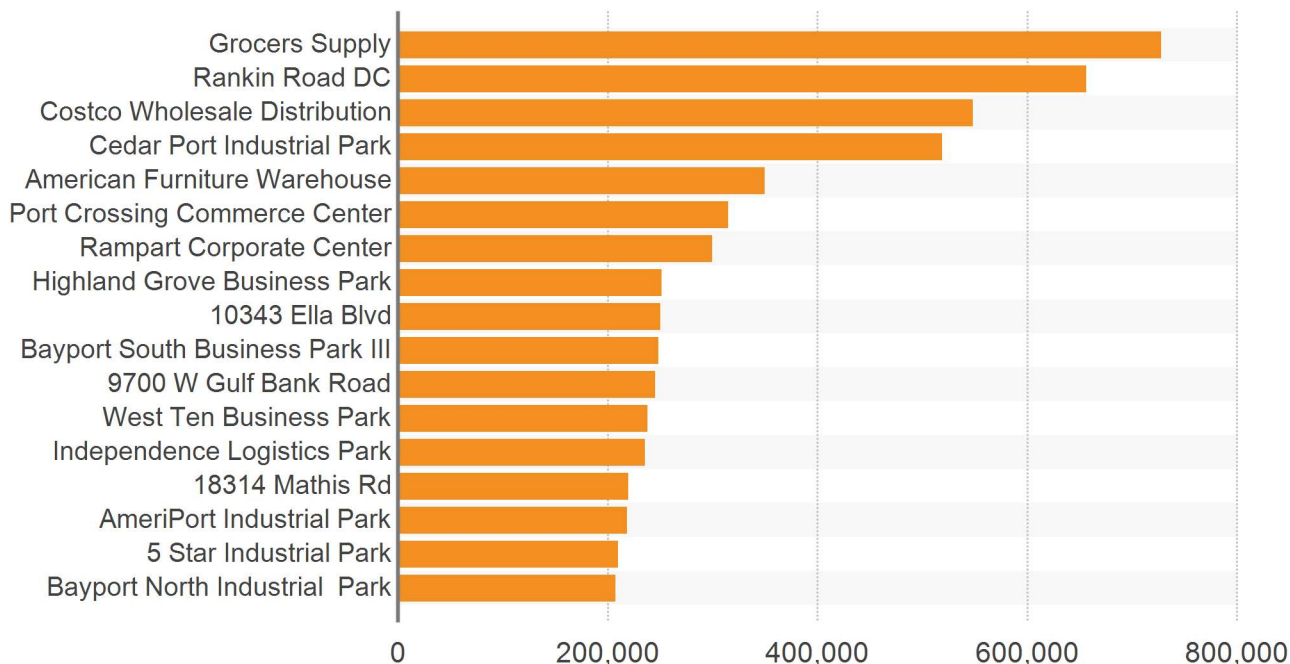
VACANCY RATE



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
Grocers Supply	North Hardy Toll Roa...	727,600	0	0	0	0	0	727,600
Rankin Road DC	North Hardy Toll Roa...	656,658	0	0	0	0	0	656,658
Costco Wholesale Distribution	Northwest Outliers Ind	548,519	0	0	0	0	0	548,519
Cedar Port Industrial Park	East-Southeast Far Ind	519,224	0	0	0	0	0	519,224
American Furniture Warehouse	East-Southeast Far Ind	350,000	0	0	0	0	0	350,000
Port Crossing Commerce Center	East-Southeast Far Ind	600,360	0	0	0	0	0	314,744
Rampart Corporate Center	Northwest Near Ind	299,840	0	0	0	0	0	299,840
Highland Grove Business Park	Northwest Outliers Ind	401,753	149,999	0	0	0	0	251,753
10343 Ella Blvd	North Fwy/Tomball P...	250,000	0	0	0	0	0	250,000
Bayport South Business Park III	East-Southeast Far Ind	248,240	0	0	0	0	0	248,240
9700 W Gulf Bank Road	Hwy 290/Tomball Pk...	245,319	0	245,319	0	0	0	245,319
West Ten Business Park	Northwest Outliers Ind	238,000	0	0	0	0	0	238,000
Independence Logistics Park	East-Southeast Far Ind	900,000	75,000	0	0	0	0	235,439
18314 Mathis Rd	Northwest Outliers Ind	220,000	0	0	0	0	0	220,000
AmeriPort Industrial Park	East-Southeast Far Ind	218,553	0	218,553	0	0	0	218,553
5 Star Industrial Park	Austin County Ind	928,035	0	0	0	0	0	210,113
Bayport North Industrial Park	East-Southeast Far Ind	207,425	0	0	0	0	0	207,425
Subtotal Primary Competitors		7,559,526	224,999	463,872	0	0	0	5,741,427
Remaining Houston Market		642,099,265	46,831,141	(1,556,140)	0	0	0	(546,175)
Total Houston Market		649,658,791	47,056,140	(1,092,268)	0	0	0	5,195,252

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
16225 Tomball Pky	Hwy 290/Tomball Pky	443,520	Q1 20	Amazon	Cushman & Wakefield	Cushman & Wakefield
2244 N Mason *	Northwest Outliers	373,860	Q3 19	Rooms To Go	-	Exeter Property Group
2851 E Pasadena Blvd	East-Southeast Far	349,050	Q1 20	Wholesome Sweeteners	JLL	Colliers International
411 Brisbane St	South Hwy 35	345,100	Q4 19	Eugene B. Smith & Co., Inc.	Beeman Strong & Co	CBRE
18140 Kickapoo Rd	Northwest Hwy 6	312,640	Q1 20	Goodman Air Conditionin...	-	Sealy & Company
7310 Langfield Rd *	Northwest Near	299,840	Q2 19	Goodman Global Inc	-	Stream Realty Partners...
10620-10700 Telge Rd	Northwest Outliers	251,753	Q3 19	COE Distributing	Colliers International	CBRE;Trammell Crow...
28420 West Ten Blvd	Northwest Outliers	238,000	Q4 19	Amazon.com Services	Cushman & Wakefield	Transwestern
3200 W 11th St	CBD-NW Inner Loop	224,730	Q1 19	Adams Warehouse and D...	Arledge Company	Transwestern
5412 Ameriport Pky	East-Southeast Far	218,553	Q3 19	-	-	Colliers International
8760 Clay Rd *	Northwest Inner Loop	217,869	Q3 19	Francesca's Holdings Cor...	-	Stream Realty Partners...
8705 Citypark Loop *	Northeast Hwy 90	191,603	Q3 19	Excel	-	CBRE
3401-3403 Navigation Blvd *	Downtown Houston	188,000	Q3 19	VEE Express	Avison Young	-
4100 Malone Dr	East-Southeast Far	184,884	Q3 19	A & R Logistics	CBRE	CBRE
300 S Sheldon Rd	East I-10 Outer Loop	180,000	Q4 19	Gerber Plumbing Fixtures	CBRE	Stream Realty Partners...
359 Pike Ct	East-Southeast Far	175,150	Q1 20	-	-	CBRE
16245 Port NW *	West Outer Loop	171,850	Q3 19	ProBuild	Lee & Associates	Transwestern
9000 Railwood Dr *	Northeast Hwy 90	171,000	Q2 19	Distribution International, Inc	JLL	Stream Realty Partners...
8221 Volta Dr	North Hardy Toll Road	168,850	Q1 20	-	-	Duke Realty Corporation
631 Buffalo Lakes Dr	Southwest Far	156,105	Q2 19	Exclusive Furniture	-	Boyd Commercial, LLC...
6410 Langfield Rd	Northwest Near	154,661	Q3 19	Boral Windows	Briggs Freeman Sot...	Carson Companies
14902 Sommermeyer St *	Northwest Inner Loop	151,798	Q2 19	LSI Industries, Inc.	JLL	Transwestern
2302 Quitman St *	North Inner Loop	151,584	Q3 19	Sunbelt	JLL	-
8701 Miller Rd	Northeast Hwy 90	150,000	Q2 19	Edgen Murray	-	Raintree Commercial
359 Old Underwood Rd	East-Southeast Far	150,000	Q2 19	Ironwear	-	CBRE
9400 Telge Rd	Northwest Outliers	137,960	Q1 20	Eastern Metal Supply Texas	-	-
10619 Red Bluff Rd	East-Southeast Far	137,280	Q1 20	-	-	Stream Realty Partners...
9800 Derrington Rd	Hwy 290/Tomball Pky	134,897	Q1 19	Norlyn Enterprises	Caldwell Companies...	CBRE
2730 Reed Rd *	South Hwy 35	131,406	Q3 19	Sharps Compliance Corp.	JLL	Transwestern
1710 East Fwy	East-Southeast Far	130,074	Q3 19	Dunavant Distribution	-	CBRE
1401-1431 Greengrass Dr *	CBD-NW Inner Loop	128,459	Q3 19	Drake Pack	-	Stream Realty Partners...
601 W 6th St *	CBD-NW Inner Loop	125,697	Q4 19	Aztec Events & Tents	Colliers International	The Deal Company
9190 Grogans Mill Rd	The Woodlands/Conroe	125,000	Q1 20	Occidental Petroleum	-	-
5661 Brittmoore Rd	West Outer Loop	124,951	Q1 19	Aztec Events & Tents	Colliers International	Boyd Commercial, LLC...
2700 Brittmoore Rd *	Northwest Inner Loop	124,044	Q4 19	Owens & Minor	Newmark Knight Frank	Stream Realty Partners...
10484 Greens Crossing Blvd	North Fwy/Tomball Pky	123,330	Q4 19	BGI	Lee & Associates	Cushman & Wakefield
8760 Clay Rd	Northwest Inner Loop	121,795	Q2 19	Hilltop Stones Inc	-	Stream Realty Partners...
971 N Sam Houston Parkway E	North Hardy Toll Road	118,100	Q2 19	DB Schenker, Inc.	Savills	Stream Realty Partners...
8787 Wallisville Rd *	Northeast Inner Loop	115,221	Q1 19	Briggs Equipment	Stream Realty Partn...	-
10131 Mills Rd *	Northwest Hwy 6	113,000	Q4 19	Allied Power Group	-	-

*Renewal

Rent growth, albeit positive over the past year for many Houston submarkets, appears to be slowing, given the onslaught of new spec supply.

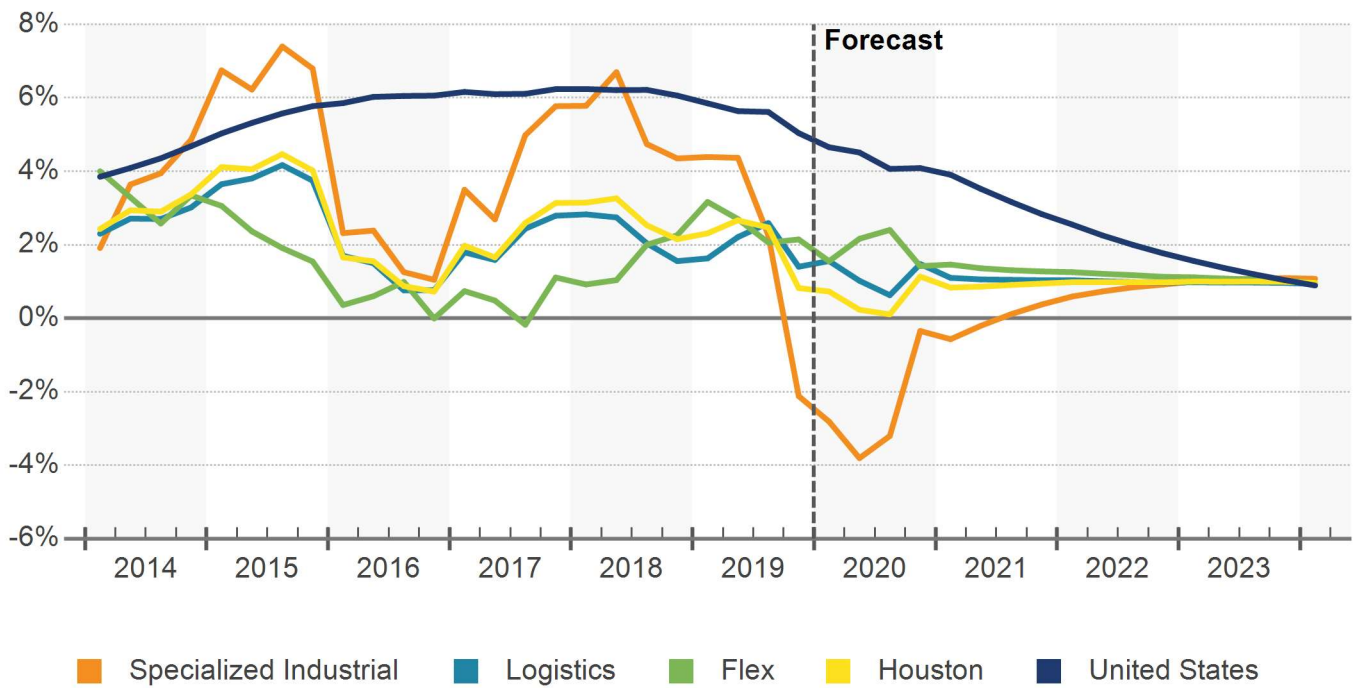
The submarkets boasting the highest rent growth are areas where a lot of new speculative supply has come on line in recent years. This is due to the fact that landlords are generally able to charge higher rents for new product, and vacancies continue to remain low.

Rent growth for Houston industrial briefly decelerated during the oil downturn but never went negative. And

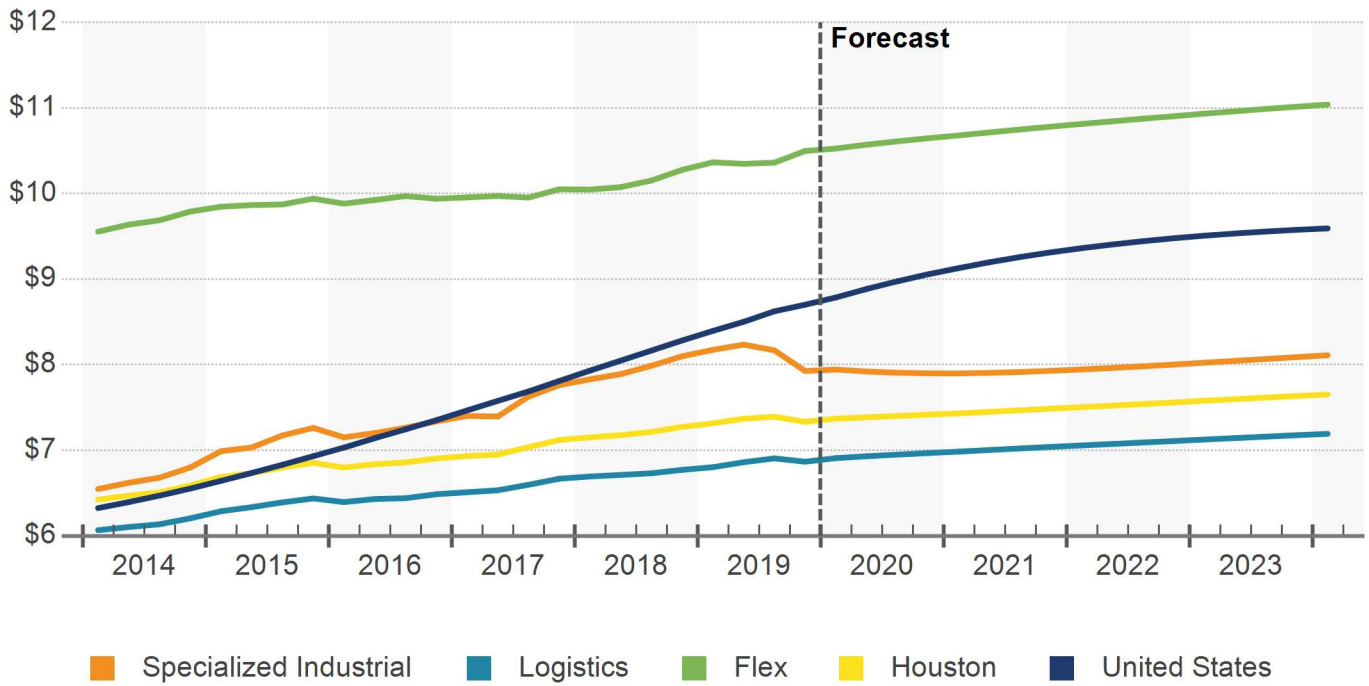
rents quickly recovered, thanks to strong population, e-commerce, and petrochemical growth. However, with the recent petrochemical boom having mostly run its course, and given the significant amount of new supply coming on line, rents have fallen a bit over the past year.

That said, CoStar still forecasts positive rent growth over the next few years, albeit at lower levels than in recent years. Downside risks to this forecast include the possibility of sudden U.S. or global recession and the economic uncertainty that comes with a U.S. election year.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



There were 27.3 million SF of new industrial developments under construction in Houston in the 20Q1, a record for the city.

This new development was about 40% preleased as of 20Q1. However, when excluding the build-to-suits, that figure falls to below 15%.

This new construction is occurring all over the metro. There were seven submarkets with more than 1 million SF under construction in 20Q1. The top two submarkets for total SF under construction were the East-Southeast Far Submarket, near the Port of Houston, and the Northwest Outliers Submarket in West Houston.

Build-to-suits also represent some of the largest new developments.

Ross Dress for Less is under construction with a 2.2-million-SF build-to-suit in Brookshire along I-10. The distribution center will make Ross Stores Waller County's largest employer, bringing 1,300 full-time jobs to the area.

Clay Development & Construction is building a 1.3-million-SF build-to-suit for Medline, the largest privately held manufacturer and distributor of medical and surgical supplies in the U.S., on the north side of I-10 in Brookshire. This facility is part of a new, integrated partnership between Medline and the Houston Methodist

Hospital System to identify new ways to leverage supply chain logistics and industry expertise.

Dollar Tree just went under construction with its \$130 million, 1.2-million-SF distribution center in Rosenberg on 140 acres located at Spur 10 and Klosterhoff Road. Upon completion, this will make Dollar Tree by far the largest industrial user in the submarket.

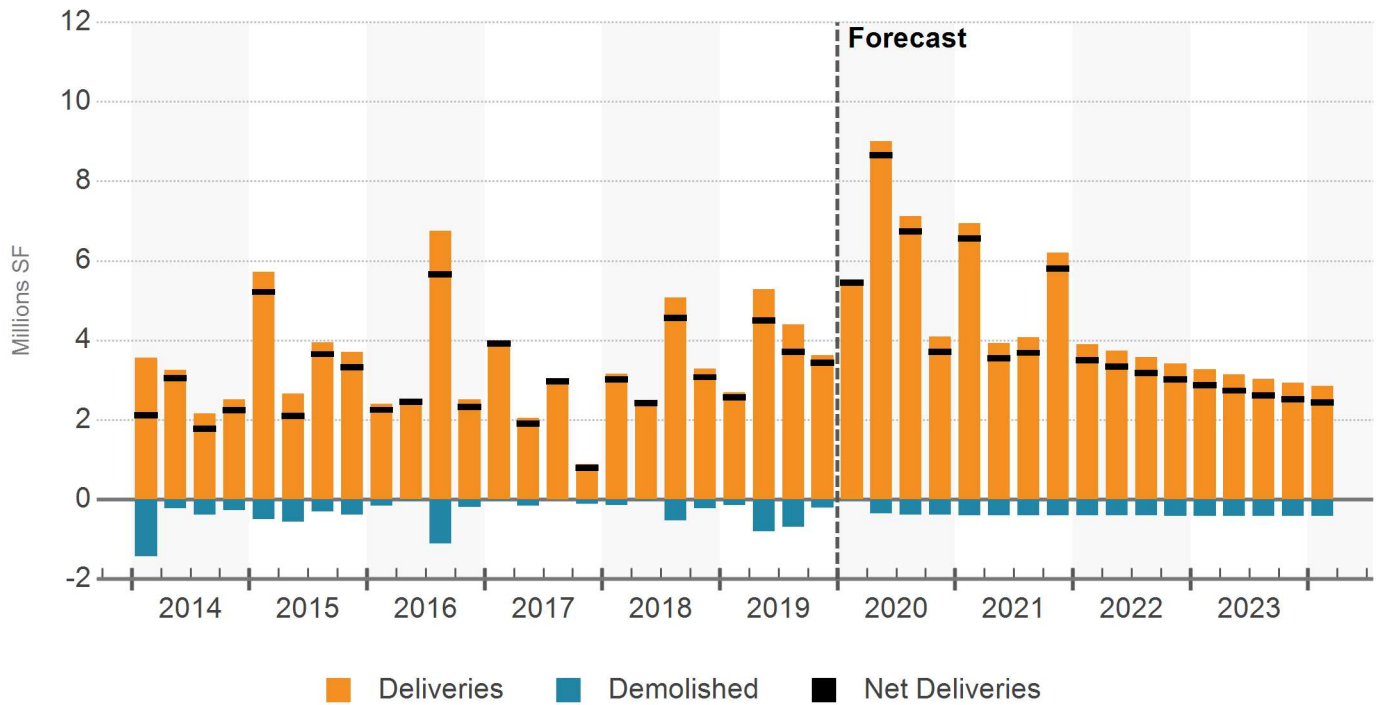
And Hines is also under construction with a 1-million-SF build-to-suit manufacturing and distribution facility for The Coca-Cola Company in Pinto Business Park in north Houston.

As far as new spec developments, Stream Realty Partners, in partnership with Principal, is under construction with 1.3 million SF in additions to the Bay Area Business Park in Pasadena. Like much of the new spec development under construction in Houston, Bay Area Business Park is currently 0% preleased.

Similarly, Hines is adding 1.1 million SF to its Boulevard Oaks Business Park along Beltway 8 just east of the Fort Bend Parkway Toll Road. These new buildings were 0% preleased as of 20Q1.

And Panattoni's 1.5 million SF in new developments under construction are also 0% preleased, including its largest development, Park 249, located at Beltway 8 and 249.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	East-Southeast Far	29	5,235	1,263	24.1%	7	34,952	180,508	3
2	Northwest Outliers	24	3,471	1,935	55.8%	4	44,367	144,607	5
3	Hwy 290/Tomball Pky	16	3,132	1,370	43.7%	6	38,050	195,724	1
4	Southwest Far	24	2,872	1,329	46.3%	5	25,928	119,649	6
5	Sugar Land	17	2,681	2,282	85.1%	2	43,820	157,733	4
6	North Fwy/Tomball Pky	23	2,266	1,278	56.4%	3	31,746	98,510	8
7	Hwy 59/Hwy 90 (Alt)	18	1,681	337	20.1%	8	24,969	93,374	9
8	Northeast Hwy 90	9	1,662	150	9.0%	9	33,036	184,702	2
9	The Woodlands/Conroe	28	1,221	1,046	85.6%	1	18,974	43,612	10
10	North Hardy Toll Road	10	1,143	8	0.7%	10	43,780	114,346	7
	All Other	36	1,986	342	17.2%		29,297	55,169	
Totals		234	27,349	11,340	41.5%		30,994	116,878	

Under Construction Properties

Houston Industrial

Properties

Square Feet

Percent of Inventory

Released

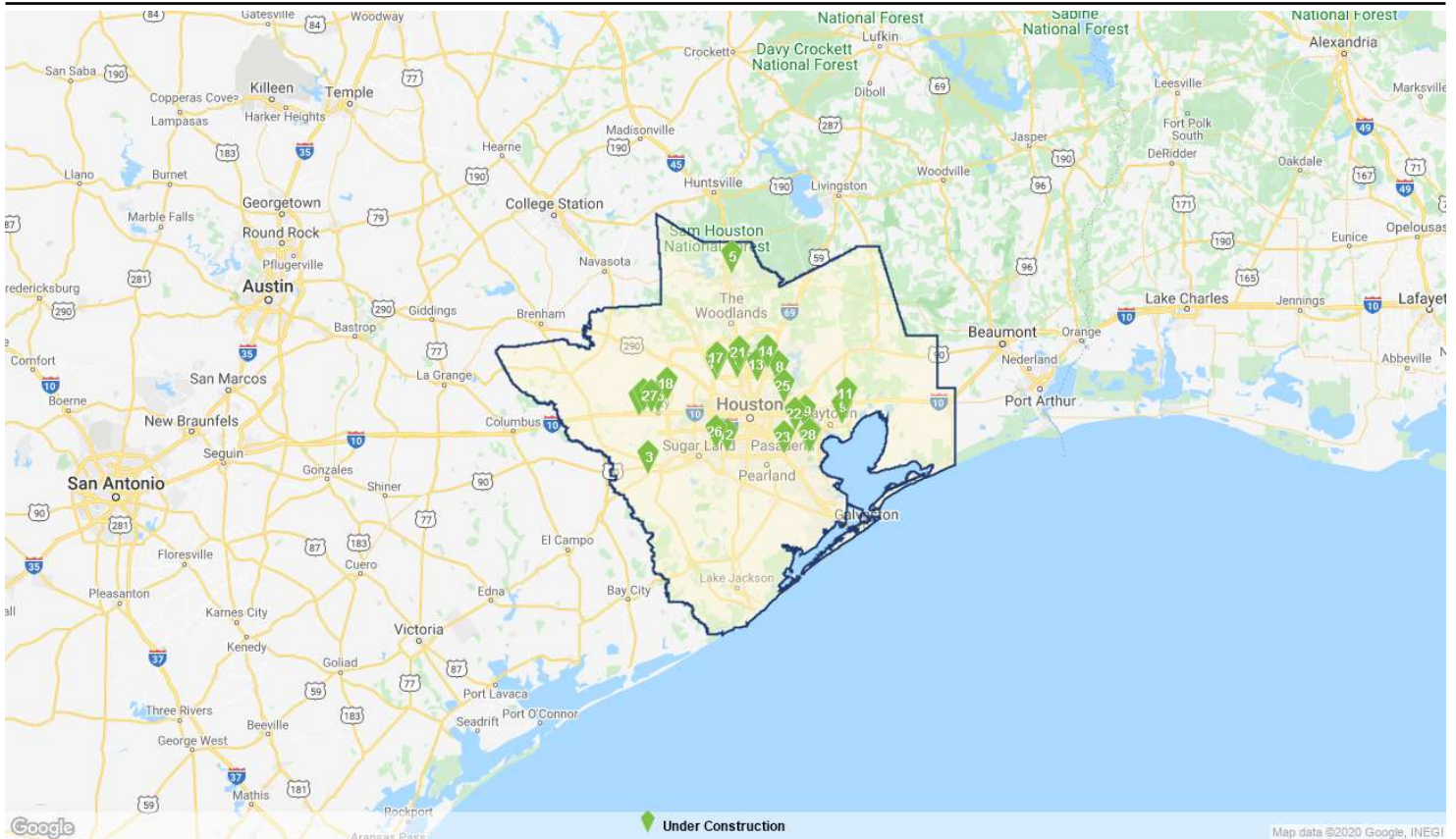
233

27,345,375

4.6%

41.5%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Ross Distribution Center 31207 Kingsland Blvd	★★★★★	2,165,000	-	Dec-2019	Sep-2021	Ross Stores Ross Stores
2 Medline 29895 Highway 90	★★★★★	1,300,000	1	Oct-2019	Dec-2020	Clay Development & Construction Medline Distribution Center
3 Dollar Tree Distribution... 1210 Hartledge Rd	★★★★★	1,200,000	1	Nov-2019	Jul-2020	Dollar Tree Management, Inc. Dollar Tree Management, Inc.
4 Coca-Cola Southwest Be... Fallbrook Dr	★★★★★	1,000,000	1	Sep-2018	Mar-2020	Hines The Coca-Cola Company
5 Five Below 950 Conroe Park West Dr	★★★★★	860,000	-	Oct-2019	Dec-2020	Ryan Companies US, Inc. Five Below, Inc.
6 Building 10 10629 Red Bluff Rd	★★★★★	784,000	1	Jul-2019	May-2020	Stream Realty Partners, LP Principal Financial Group, Inc.
7 Home Depot 7703 Sam Houston Pky W	★★★★★	770,640	1	Jul-2019	Apr-2020	Hines Hines

Under Construction Properties

Houston Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Generation Park 10100 W Lake Houston Pky	★★★★★	648,720	1	Nov-2019	Sep-2020	Lincoln Property Company Lincoln Property Company
9 Cedar Port Logistics 4725 E Grand Pky S	★★★★★	644,000	1	Jul-2019	May-2020	Avera Companies Avera Companies
10 10591 Red Bluff Rd	★★★★★	642,994	1	Sep-2019	Apr-2020	Panattoni Development Company Panattoni Development Company...
11 Bldg 6 1919 S Fm 565 Rd	★★★★★	604,800	1	Oct-2019	Jun-2020	DVO Baytown-West Chambers County...
12 Bldg 8 Fuqua & Beltway 8	★★★★★	534,440	1	Jan-2020	Dec-2020	Hines Hines
13 Kennedy Greens Distrib... 13300 John F Kennedy Blvd	★★★★★	524,160	1	Aug-2019	Mar-2020	Clay Development & Construction Clay Development & Construction
14 59 Logistics Center 17440 Highway 59	★★★★★	509,600	1	Jan-2020	Aug-2020	Hunt Midwest Hunt Midwest
15 American Furniture War... 500 Pin Oak Rd	★★★★★	498,700	1	Jul-2019	Apr-2020	American Furniture Warehouse American Furniture Warehouse
16 Taub Rd	★★★★★	494,800	1	Jan-2020	Jul-2020	Transwestern Transwestern
17 Bldg 1 16225 Tomball Pky	★★★★★	443,520	1	Sep-2019	Apr-2020	Panattoni Panattoni
18 Building 5 3900 Peek Rd	★★★★★	433,200	1	Jun-2019	Mar-2020	Duke Realty Corporation Duke Realty Corporation
19 Building B 739 Independence Pky	★★★★★	414,900	1	Jan-2020	Aug-2020	Molto Realty Molto Realty
20 Building 2 Highway 90	★★★★★	373,100	1	Jan-2020	Sep-2020	NorthPoint Development NorthPoint Development
21 Rankin 45 Distribution C... 13800 North Fwy	★★★★★	356,236	1	Jan-2020	Jun-2020	Trammell Crow Company CBRE Global Investors Ltd
22 402 Deerwood Glen Dr	★★★★★	308,225	2	Jun-2019	Mar-2020	Clay Development & Construction Clay Development & Construction
23 Gulf Point I-45 Gulf Freeway @ Beltw	★★★★★	300,000	1	Feb-2020	Dec-2020	Wycoff Development & Constructi... Wycoff Development & Constructi...
24 Bldg 8 Phase III 10611 Red Bluff Rd	★★★★★	297,400	1	Aug-2019	Mar-2020	Stream Realty Partners, LP Principal Financial Group, Inc.
25 Building 1 Highway 90	★★★★★	295,640	1	Jan-2020	Sep-2020	NorthPoint Development NorthPoint Development
26 Waypoint - Building 1 411 Cravens Rd	★★★★★	290,373	1	Mar-2019	Mar-2020	4 M Investments Clarion Partners
27 Bldg 4 28380 West Ten Blvd	★★★★★	262,080	1	Feb-2020	Jul-2020	- Gary K Whitt
28 Phase III - Bldg 9 10619 Red Bluff Rd	★★★★★	251,680	1	Jul-2019	Mar-2020	Stream Realty Partners, LP Principal Financial Group, Inc.

Capital investment into Houston industrial has been expanding in recent years, tracking the national trend, and this trend shows no signs of letting up.

The metro still ranked in the top 15 U.S. markets for transaction activity last year, with an estimated volume of \$2.2 billion. Note that CoStar is estimating a price for trades that didn't report one—a common problem in non-disclosure states like Texas. This is occurring despite the myriad of challenges that Houston industrial faces, a testament to the positive impacts of population growth and growing institutional allocation to industrial.

Last year was yet again marked by large portfolio trades, a trend also experienced nationally. This is mostly the result of large institutional investors chasing the sector's general e-commerce-driven outperformance this cycle.

In September, Blackstone acquired 17 urban infill logistics properties in Houston totaling nearly 2.9 million SF from Global Logistics Properties. This occurred as part of the largest combined private real estate transaction in history, when Blackstone Real Estate Partners Fund acquired 115 million SF for \$13.4 billion

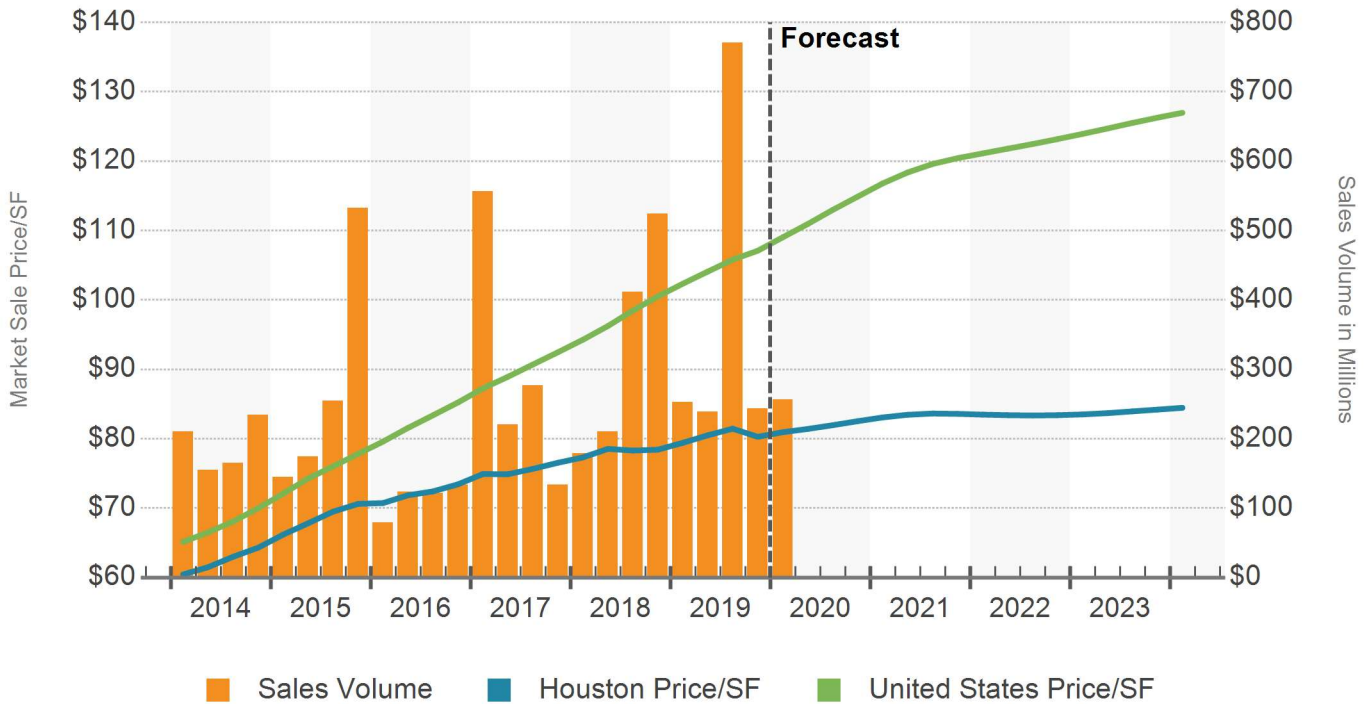
and Blackstone Real Estate Income Trust acquired 64 million SF for \$5.3 billion.

And in January of last year, Ivanhoe Cambridge entered into a 50-50 joint venture with Oxford Property Group for the IDI Logistics portfolio. Ivanhoe Cambridge had acquired the portfolio two months prior from a Brookfield-sponsored real estate fund. This acquisition represented Oxford's first logistics acquisition in the United States and included 10 properties in Houston totaling over 1.8 million SF.

The Houston properties traded for an allocated value of approximately \$70 million (\$96/SF) and a 6.3% cap at full value. The overall portfolio totaled 31 million SF and sold for \$3.5 billion, of which Oxford took half (about \$1.7 billion).

With high investor demand for industrial properties in large U.S. markets, cap rates on Houston industrial transactions have compressed to a near record low of 6.7% on average, although this figure has expanded a bit from 6.4% in 2017.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Houston Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

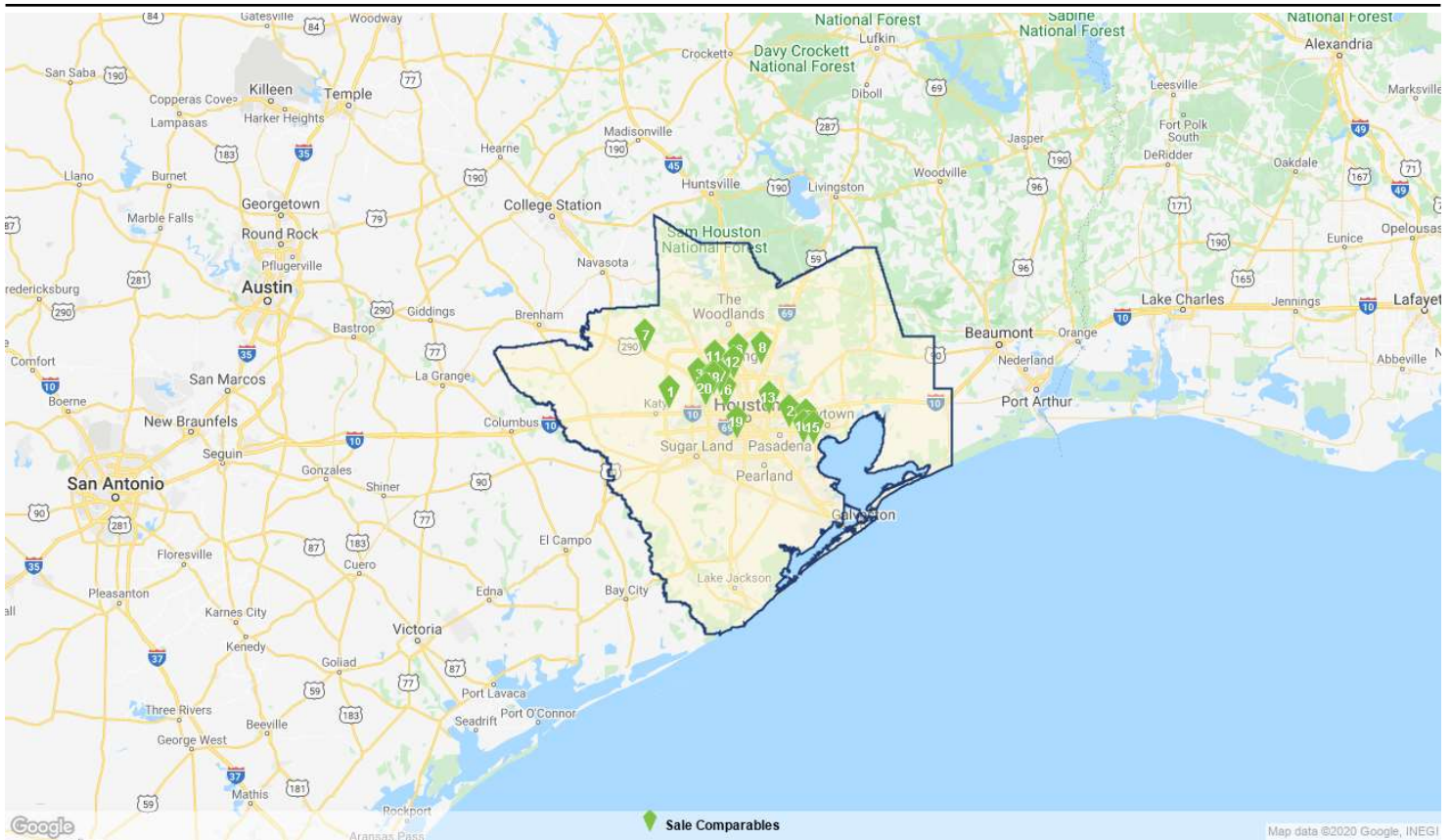
1,261

7.2%

\$93

9.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$25,000	\$5,236,191	\$1,850,000	\$94,000,000
Price Per SF	\$11	\$93	\$91	\$593
Cap Rate	4.0%	7.2%	7.1%	16.8%
Time Since Sale in Months	0.1	6.0	5.8	12.0
Property Attributes	Low	Average	Median	High
Building SF	95	39,861	14,000	1,500,596
Ceiling Height	8'	20'	20'	69'4"
Docks	0	7	0	330
Vacancy Rate At Sale	0%	9.8%	0%	100%
Year Built	1900	1988	1984	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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 Academy Sports Distrib... 1800 N Mason Rd	★★★★★	1976	1,500,596	0%	9/27/2019	\$94,000,000	\$63	-
2 3507 Pasadena Blvd	★★★★★	2015	600,004	0%	9/26/2019	\$74,191,796	\$124	-
3 Northwest Logistics Cen... 6751 N Eldridge Pky	★★★★★	2018	411,442	0%	9/26/2019	\$34,503,743	\$84	-
4 Bldg 1 6353-6399 Windfern Rd	★★★★★	2000	245,700	10.1%	9/26/2019	\$31,839,162	\$130	-
5 Preferred Freezer Services 10060 Porter Rd	★★★★★	2007	154,601	0%	6/4/2019	\$31,096,004	\$201	-
6 BLDG 1 19802 Imperial Valley Dr	★★★★★	2014	328,020	0%	9/26/2019	\$31,027,192	\$95	-
7 18140 Kickapoo Rd	★★★★★	2017	479,806	65.2%	9/6/2019	\$30,500,000	\$64	-
8 Forward Air Solutions 18727 Kenswick Dr	★★★★★	2015	248,750	0%	3/27/2019	\$29,549,000	\$119	-
9 Bldg II 9770 New Century Dr	★★★★★	2006	287,500	0%	1/8/2020	\$28,511,038	\$99	5.0%
10 Bldg I 4330 Underwood Rd	★★★★★	2006	276,000	21.7%	1/8/2020	\$27,370,597	\$99	5.0%
11 11833 Cutten Road 11833 Cutten Rd	★★★★★	2018	293,280	29.2%	1/8/2020	\$24,703,750	\$84	5.0%
12 10343 Ella Blvd	★★★★★	2019	250,000	0%	12/17/2019	\$21,864,000	\$87	-
13 Eastport 8 9838-9858 E I-10 Fwy	★★★★★	1981	219,243	0%	9/26/2019	\$21,350,728	\$97	-
14 Brittmoore Distribution 1810 Brittmoore Rd	★★★★★	1980	168,758	0%	9/26/2019	\$20,141,948	\$119	-
15 LaPorte Distribution Cen... 1401 S 16th St	★★★★★	2017	194,000	0%	1/8/2020	\$19,238,753	\$99	5.0%
16 Hempstead Distribution... 1930-1998 Afton St	★★★★★	1974	158,000	22.2%	9/26/2019	\$18,857,937	\$119	-
17 Building 200 7310 Langfield Rd	★★★★★	2013	299,840	0%	1/8/2020	\$17,843,418	\$60	5.0%
18 6300 West by Northwest... 9310 Kirby Dr	★★★★★	1998	148,689	45.1%	9/26/2019	\$17,746,632	\$119	-
19 9310 Kirby Dr	★★★★★	2009	126,000	0%	5/6/2019	\$17,629,046	\$140	-
20 Brittmoore Distribution... 1812 Brittmoore Rd	★★★★★	1980	145,520	0%	9/26/2019	\$17,368,399	\$119	-

The U.S.' seventh-largest economy in the nation's fifth-largest city is again decelerating, this time led by a renewed slowdown in U.S. shale, which may not bode well for the Bayou City's multifamily, industrial, or office sectors.

Houston had added 88,000 jobs year-over-year as of December 2019, according to the latest Bureau of Labor Statistics update. Oxford Economics predicts that Houston added 78,221 jobs in 2019. However, Oxford Economics' bullish job numbers for last year were likely based on overestimated job numbers from the Bureau of Labor Statistics. Nearly every economic indicator, including the rig count, purchasing managers index, and forecasted energy cap ex point to a flattening energy industry. And in 2020, Oxford Economics' Moderate Upside scenario forecasts that Houston will add 39,971 jobs, well below Houston's historical average of about 50,000 new jobs per year. Meanwhile, in Oxford's baseline scenario, the company forecasts that Houston will add just 25,606 new jobs in 2020, which is half of Houston's long-term average job growth.

In a recent report, Goldman Sachs estimates that U.S. energy industry capital expenditures declined 3% in 2019, will decline 8% this year, and will be flat in 2021 at 1% growth, followed by 7% growth in 2022. Over the next three years, this would collectively represent 0% growth. This is not nearly as bad as the 32% decline in 2015 and 48% decline in 2016. But this flat growth for Houston's primary industry may negatively impact Houston's commercial real estate market.

For Houston, waning crude oil prices in the mid-\$50/barrel range are extending economic uncertainty for Houston's exploration, production, and oil field services companies, the region's largest employers. The Oil Patch may also be in the midst of another wave of bankruptcies and consolidations, as energy companies struggle to remain profitable. Wall Street, which encouraged growth in U.S. shale for much of the past decade, and even through the oil downturn, has become frustrated with the

sector's lack of capital discipline and lower returns in comparison with other sectors, especially amid lower oil prices. As a result, the investment community is largely pulling back investments from North American energy, which could hurt many major and independent producers and oilfield services companies with operations in Houston. According to a survey by the Dallas Federal Reserve, the oil and gas industry has faced contractions in recent months, with nearly a quarter of Texas companies in that sector reporting third-quarter layoffs. Oil and gas companies are declaring bankruptcy at the fastest pace since 2016, according to data from law firm Haynes & Boone LLP.

Houston's energy industry also faces tough existential questions in a post-Paris Accords world. Uncertainties remain about how the energy industry will adapt to mounting pressures to reduce the world's carbon footprint and single-use plastics.

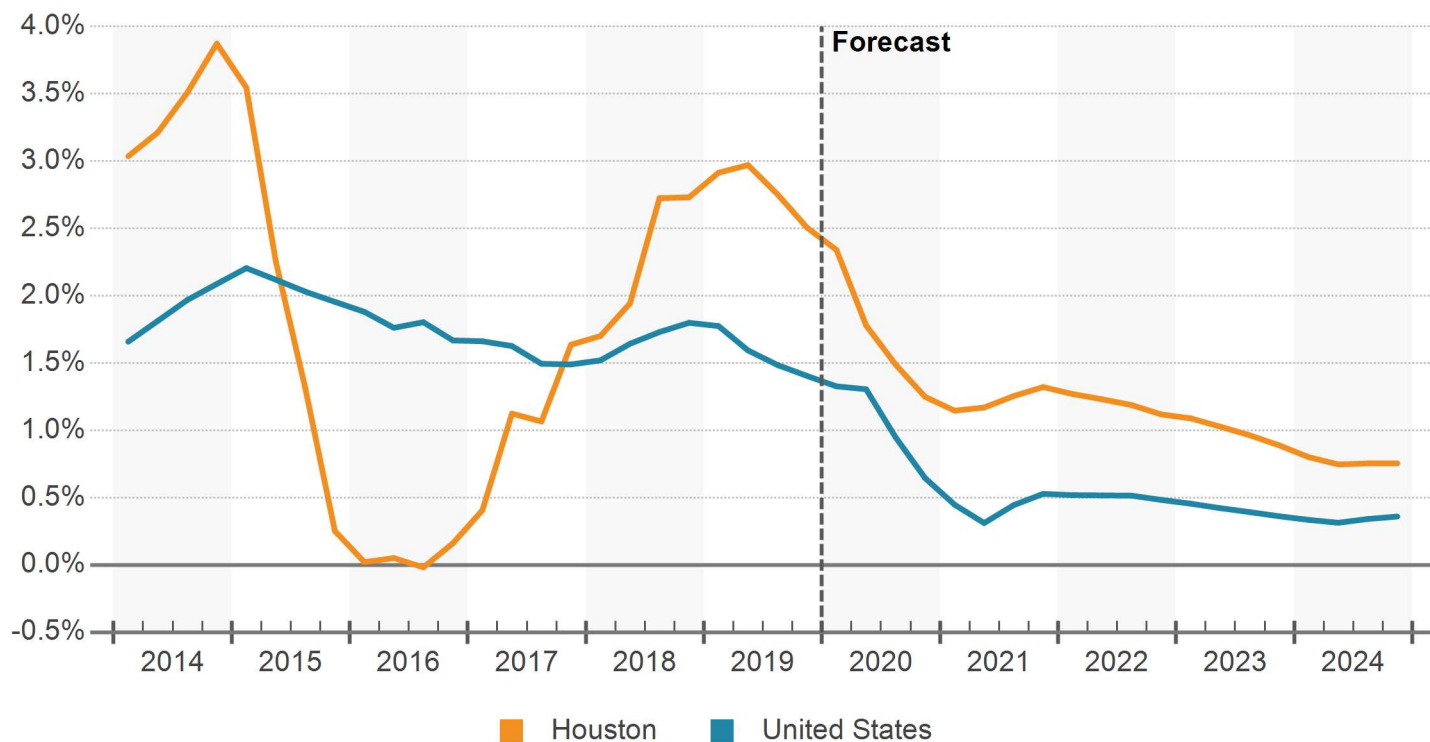
Fortunately, Houston has shifted away from being solely an oil and gas city and persistently continues to diversify its economy in industries like healthcare (where it is home to the world's largest medical center), giving the city a bit of a cushion. Houston's public and private sectors today are united in the goal of growing Houston's general tech (especially data science and digital tech) and biotech clusters. At the center of these blue ocean projects are two key real estate developments in the works to encourage growth in these sectors: The Ion and TMC3. Rice University is transforming the Art Deco 270,000-SF former Sears department store in Houston's Midtown neighborhood into The Ion, the hub of a proposed 16-acre innovation district that the mayor hopes will boost the city's technological appeal. And the TMC3 project was officially announced in April 2018 as the cornerstone of the Texas Medical Center's plan to establish Texas as the "Third Coast" for life sciences and biotechnology research to compete directly with Boston and San Francisco. TMC3 is expected to create roughly 26,000 jobs and generate \$5.2 billion in economic benefits in Houston.

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	243	0.9	2.23%	0.29%	1.24%	1.14%	0.32%	-0.31%
Trade, Transportation and Utilities	634	1.1	1.22%	0.44%	2.03%	1.32%	0.99%	0.26%
Retail Trade	304	0.9	0.14%	-0.08%	1.54%	0.94%	0.74%	0.21%
Financial Activities	171	0.9	2.30%	1.42%	1.99%	1.24%	1.17%	0.33%
Government	411	0.9	0.69%	0.68%	0.80%	0.07%	1.03%	0.63%
Natural Resources, Mining and Construction	322	1.8	4.45%	1.65%	2.38%	2.87%	0.39%	0.23%
Education and Health Services	409	0.8	2.29%	2.55%	3.03%	2.17%	0.98%	0.57%
Professional and Business Services	527	1.2	3.60%	2.02%	3.53%	2.74%	1.73%	0.87%
Information	30	0.5	-4.07%	0.89%	-1.17%	0.37%	-0.09%	0.49%
Leisure and Hospitality	339	1.0	3.07%	1.95%	3.82%	2.71%	1.33%	0.55%
Other Services	123	1.0	4.84%	1.37%	2.55%	1.15%	0.70%	0.28%
Total Employment	3,209	1.0	2.40%	1.36%	2.34%	1.62%	1.03%	0.45%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



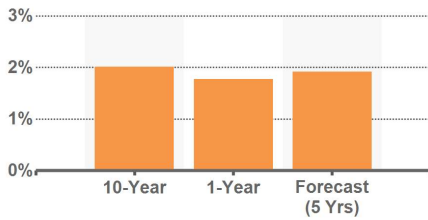
Source: Oxford Economics

DEMOGRAPHIC TRENDS

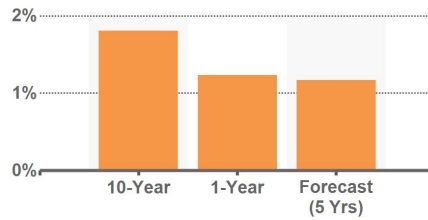
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	7,172,951	330,399,094	1.8%	0.7%	2.0%	0.7%	1.9%	0.7%
Households	2,415,168	122,530,391	1.7%	0.5%	1.9%	0.7%	1.8%	0.6%
Median Household Income	\$68,250	\$64,399	3.8%	3.4%	2.4%	2.5%	3.9%	3.7%
Labor Force	3,469,900	164,459,938	1.2%	0.9%	1.8%	0.7%	1.2%	0.5%
Unemployment	3.5%	3.5%	-0.7%	-0.3%	-0.5%	-0.7%	-	-

Source: Oxford Economics

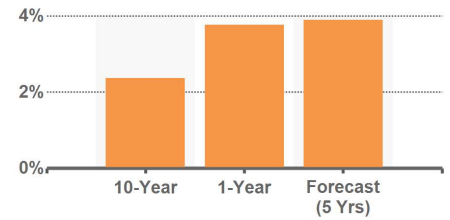
POPULATION GROWTH



LABOR FORCE GROWTH

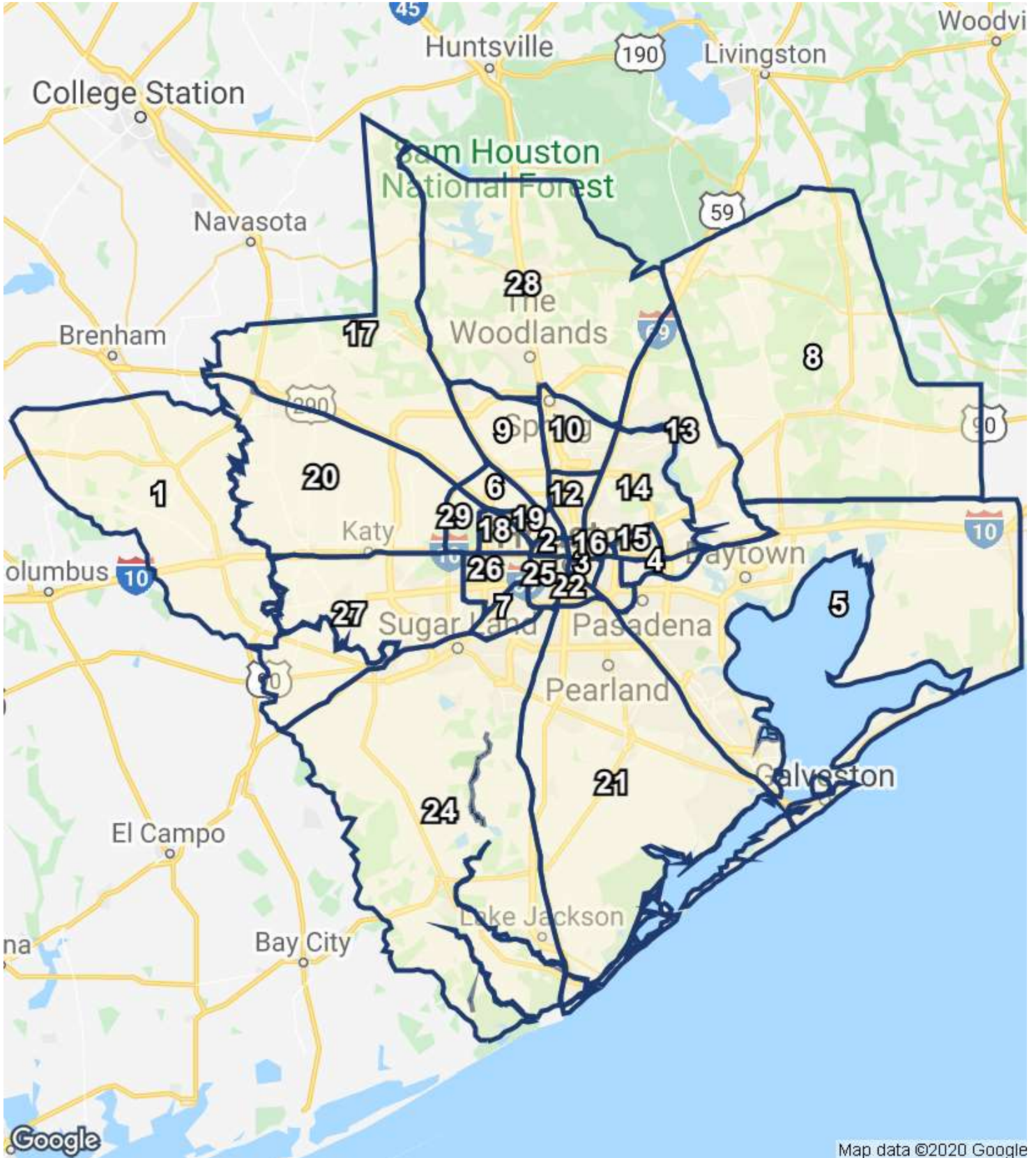


INCOME GROWTH



Source: Oxford Economics

HOUSTON SUBMARKETS



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	40	2,154	0.3%	27	1	128	5.9%	16	0	-	-	-
2	CBD-NW Inner Loop	520	12,684	2.0%	22	0	0	0%	-	0	-	-	-
3	Downtown Houston	910	31,903	4.9%	5	0	0	0%	-	0	-	-	-
4	East I-10 Outer Loop	229	13,946	2.1%	19	0	0	0%	-	1	2	0%	16
5	East-Southeast Far	2,298	80,319	12.4%	1	35	3,882	4.8%	1	29	5,235	6.5%	1
6	Hwy 290/Tomball Pky	681	25,912	4.0%	10	5	326	1.3%	10	16	3,132	12.1%	3
7	Hwy 59/Hwy 90 (Alt)	1,060	26,468	4.1%	9	14	366	1.4%	9	18	1,681	6.4%	7
8	Liberty County	69	1,422	0.2%	29	0	0	0%	-	0	-	-	-
9	North Fwy/Tomball Pky	987	31,333	4.8%	6	16	1,752	5.6%	4	23	2,266	7.2%	6
10	North Hardy Toll Road	887	38,833	6.0%	4	31	2,965	7.6%	2	10	1,143	2.9%	10
11	North Inner Loop	202	5,521	0.8%	25	0	0	0%	-	0	-	-	-
12	North Outer Loop	1,103	25,505	3.9%	11	3	394	1.5%	8	1	524	2.1%	12
13	Northeast Hwy 321	116	1,891	0.3%	28	0	0	0%	-	0	-	-	-
14	Northeast Hwy 90	676	22,333	3.4%	14	12	1,293	5.8%	6	9	1,662	7.4%	8
15	Northeast I-10	174	4,481	0.7%	26	0	0	0%	-	2	669	14.9%	11
16	Northeast Inner Loop	193	12,332	1.9%	23	0	0	0%	-	0	-	-	-
17	Northwest Hwy 6	460	13,538	2.1%	20	26	271	2.0%	11	21	232	1.7%	14
18	Northwest Inner Loop	1,798	63,828	9.8%	2	5	130	0.2%	15	2	180	0.3%	15
19	Northwest Near	836	20,071	3.1%	15	5	53	0.3%	17	0	-	-	-
20	Northwest Outliers	691	30,658	4.7%	7	41	1,823	5.9%	3	24	3,471	11.3%	2
21	South Hwy 35	1,816	40,302	6.2%	3	3	51	0.1%	18	8	376	0.9%	13
22	South Inner Loop	411	13,281	2.0%	21	1	11	0.1%	19	0	-	-	-
23	Southeast Outer Loop	434	18,082	2.8%	16	1	176	1.0%	13	0	-	-	-
24	Southwest Far	640	16,594	2.6%	17	13	1,541	9.3%	5	24	2,872	17.3%	4
25	Southwest Inner Loop	442	7,021	1.1%	24	0	0	0%	-	0	-	-	-
26	Southwest Outer Loop	699	14,893	2.3%	18	2	9	0.1%	20	1	2	0%	17
27	Sugar Land	529	23,181	3.6%	12	5	445	1.9%	7	17	2,681	11.6%	5
28	The Woodlands/Conroe	1,214	23,034	3.5%	13	25	185	0.8%	12	28	1,221	5.3%	9
29	West Outer Loop	846	28,140	4.3%	8	9	156	0.6%	14	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Austin County	\$8.28	7	-1.5%	29	2.5%	20
2	CBD-NW Inner Loop	\$7.90	10	1.1%	5	2.5%	17
3	Downtown Houston	\$5.48	27	0.7%	16	2.6%	11
4	East I-10 Outer Loop	\$6.01	25	-0.2%	28	2.5%	19
5	East-Southeast Far	\$7.27	16	1.1%	4	3.0%	5
6	Hwy 290/Tomball Pky	\$7.57	14	1.1%	3	2.9%	8
7	Hwy 59/Hwy 90 (Alt)	\$7.72	12	1.0%	10	2.4%	23
8	Liberty County	\$7.07	19	0.3%	24	2.6%	10
9	North Fwy/Tomball Pky	\$7.80	11	0.8%	15	1.6%	28
10	North Hardy Toll Road	\$7.41	15	1.5%	1	3.1%	4
11	North Inner Loop	\$5.69	26	0.5%	21	2.4%	22
12	North Outer Loop	\$6.87	21	0.9%	12	3.0%	6
13	Northeast Hwy 321	\$9.58	2	0.3%	25	0.7%	29
14	Northeast Hwy 90	\$7.12	18	0.1%	26	2.8%	9
15	Northeast I-10	\$6.63	23	0.4%	23	2.6%	13
16	Northeast Inner Loop	\$5.20	29	0.4%	22	2.5%	15
17	Northwest Hwy 6	\$8.84	5	0.1%	27	4.0%	1
18	Northwest Inner Loop	\$7.23	17	1.2%	2	2.5%	21
19	Northwest Near	\$6.99	20	1.0%	9	2.5%	18
20	Northwest Outliers	\$8.37	6	0.9%	11	3.2%	3
21	South Hwy 35	\$6.79	22	0.5%	19	1.9%	27
22	South Inner Loop	\$6.26	24	0.7%	17	3.0%	7
23	Southeast Outer Loop	\$5.42	28	0.5%	20	2.6%	12
24	Southwest Far	\$7.93	9	1.0%	6	2.6%	14
25	Southwest Inner Loop	\$9.63	1	0.8%	13	2.2%	24
26	Southwest Outer Loop	\$9.28	4	1.0%	8	2.0%	26
27	Sugar Land	\$8.02	8	1.0%	7	3.4%	2
28	The Woodlands/Conroe	\$9.50	3	0.8%	14	2.1%	25
29	West Outer Loop	\$7.72	13	0.6%	18	2.5%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Austin County	29,954	1.4%	1	353,963	16.4%	8	0.4
2	CBD-NW Inner Loop	905,560	7.1%	18	(384,523)	-3.0%	27	-
3	Downtown Houston	1,255,108	3.9%	8	(346,283)	-1.1%	25	-
4	East I-10 Outer Loop	575,162	4.1%	9	(163,375)	-1.2%	22	-
5	East-Southeast Far	6,754,494	8.4%	23	2,469,186	3.1%	1	1.4
6	Hwy 290/Tomball Pky	2,461,783	9.5%	26	9,297	0%	14	33.5
7	Hwy 59/Hwy 90 (Alt)	1,498,273	5.7%	13	7,922	0%	15	46.3
8	Liberty County	98,640	6.9%	17	(31,597)	-2.2%	19	-
9	North Fwy/Tomball Pky	4,173,172	13.3%	29	338,681	1.1%	9	5.0
10	North Hardy Toll Road	3,594,044	9.3%	25	1,473,827	3.8%	3	2.0
11	North Inner Loop	166,962	3.0%	4	202,282	3.7%	10	-
12	North Outer Loop	1,473,683	5.8%	14	(3,724)	0%	17	-
13	Northeast Hwy 321	38,140	2.0%	3	(17,789)	-0.9%	18	-
14	Northeast Hwy 90	1,794,127	8.0%	21	364,707	1.6%	7	3.1
15	Northeast I-10	62,761	1.4%	2	175,366	3.9%	13	-
16	Northeast Inner Loop	441,176	3.6%	5	187,457	1.5%	11	-
17	Northwest Hwy 6	1,375,050	10.2%	27	179,941	1.3%	12	1.5
18	Northwest Inner Loop	5,313,731	8.3%	22	(1,066,699)	-1.7%	29	-
19	Northwest Near	954,116	4.8%	10	381,158	1.9%	6	0.1
20	Northwest Outliers	2,242,303	7.3%	19	2,226,927	7.3%	2	0.7
21	South Hwy 35	2,363,923	5.9%	15	(972,982)	-2.4%	28	-
22	South Inner Loop	744,042	5.6%	12	(54,387)	-0.4%	20	-
23	Southeast Outer Loop	1,239,961	6.9%	16	(311,403)	-1.7%	24	-
24	Southwest Far	1,810,610	10.9%	28	575,330	3.5%	4	2.6
25	Southwest Inner Loop	266,792	3.8%	7	(381,787)	-5.4%	26	-
26	Southwest Outer Loop	1,091,907	7.3%	20	(240,769)	-1.6%	23	-
27	Sugar Land	837,237	3.6%	6	385,597	1.7%	5	1.2
28	The Woodlands/Conroe	1,995,849	8.7%	24	(161,044)	-0.7%	21	-
29	West Outer Loop	1,497,580	5.3%	11	(27)	0%	16	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	725,234,936	9,270,140	1.3%	9,682,603	1.3%	1.0
2023	715,964,796	10,729,989	1.5%	10,749,389	1.5%	1.0
2022	705,234,807	13,026,567	1.9%	12,388,764	1.8%	1.1
2021	692,208,240	19,578,980	2.9%	13,912,530	2.0%	1.4
2020	672,629,260	24,538,633	3.8%	14,116,177	2.1%	1.7
YTD	649,658,791	1,568,164	0.2%	(1,092,268)	-0.2%	-
2019	648,090,627	14,491,104	2.3%	6,668,431	1.0%	2.2
2018	633,599,523	16,092,499	2.6%	9,281,765	1.5%	1.7
2017	617,507,024	9,675,840	1.6%	9,784,930	1.6%	1.0
2016	607,831,184	12,672,619	2.1%	9,807,928	1.6%	1.3
2015	595,158,565	14,603,084	2.5%	11,520,775	1.9%	1.3
2014	580,555,481	9,264,181	1.6%	12,158,152	2.1%	0.8
2013	571,291,300	8,048,683	1.4%	5,079,285	0.9%	1.6
2012	563,242,617	2,755,980	0.5%	6,331,442	1.1%	0.4
2011	560,486,637	4,421,467	0.8%	7,698,987	1.4%	0.6
2010	556,065,170	4,319,349	0.8%	7,443,886	1.3%	0.6
2009	551,745,821	8,546,212	1.6%	3,170,383	0.6%	2.7
2008	543,199,609	16,853,181	3.2%	14,844,425	2.7%	1.1

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	118,057,294	616,104	0.5%	75,212	0.1%	8.2
2023	117,441,190	713,138	0.6%	104,261	0.1%	6.8
2022	116,728,052	865,812	0.7%	156,044	0.1%	5.5
2021	115,862,240	922,967	0.8%	205,366	0.2%	4.5
2020	114,939,273	2,150,204	1.9%	315,124	0.3%	6.8
YTD	112,851,919	62,850	0.1%	(162,970)	-0.1%	-
2019	112,789,069	349,679	0.3%	363,371	0.3%	1.0
2018	112,439,390	753,138	0.7%	754,079	0.7%	1.0
2017	111,686,252	329,182	0.3%	653,270	0.6%	0.5
2016	111,357,070	4,040,575	3.8%	3,903,125	3.5%	1.0
2015	107,316,495	1,376,324	1.3%	1,618,025	1.5%	0.9
2014	105,940,171	(387,349)	-0.4%	487,870	0.5%	-
2013	106,327,520	1,779,640	1.7%	(179,214)	-0.2%	-
2012	104,547,880	(806,164)	-0.8%	(289,151)	-0.3%	-
2011	105,354,044	841,648	0.8%	516,766	0.5%	1.6
2010	104,512,396	477,464	0.5%	438,047	0.4%	1.1
2009	104,034,932	924,374	0.9%	21,662	0%	42.7
2008	103,110,558	786,815	0.8%	1,815,875	1.8%	0.4

Supply & Demand Trends

Houston Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	552,910,796	8,503,769	1.6%	9,686,591	1.8%	0.9
2023	544,407,027	9,842,951	1.8%	10,708,392	2.0%	0.9
2022	534,564,076	11,949,825	2.3%	12,271,443	2.3%	1.0
2021	522,614,251	18,353,402	3.6%	13,703,259	2.6%	1.3
2020	504,260,849	22,083,933	4.6%	13,673,161	2.7%	1.6
YTD	483,687,230	1,510,314	0.3%	(737,705)	-0.2%	-
2019	482,176,916	13,808,660	2.9%	6,314,023	1.3%	2.2
2018	468,368,256	15,179,533	3.3%	8,554,223	1.8%	1.8
2017	453,188,723	8,795,606	2.0%	9,387,802	2.1%	0.9
2016	444,393,117	8,236,992	1.9%	6,027,410	1.4%	1.4
2015	436,156,125	13,237,259	3.1%	9,848,812	2.3%	1.3
2014	422,918,866	9,150,919	2.2%	10,681,169	2.5%	0.9
2013	413,767,947	5,582,958	1.4%	3,958,816	1.0%	1.4
2012	408,184,989	3,117,350	0.8%	5,825,124	1.4%	0.5
2011	405,067,639	3,386,466	0.8%	6,047,388	1.5%	0.6
2010	401,681,173	3,733,231	0.9%	6,470,660	1.6%	0.6
2009	397,947,942	6,127,771	1.6%	2,219,894	0.6%	2.8
2008	391,820,171	14,721,131	3.9%	11,772,695	3.0%	1.3

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	54,266,846	150,267	0.3%	(79,200)	-0.1%	-
2023	54,116,579	173,900	0.3%	(63,264)	-0.1%	-
2022	53,942,679	210,930	0.4%	(38,723)	-0.1%	-
2021	53,731,749	302,611	0.6%	3,905	0%	77.5
2020	53,429,138	304,496	0.6%	127,892	0.2%	2.4
YTD	53,119,642	(5,000)	0%	(191,593)	-0.4%	-
2019	53,124,642	332,765	0.6%	(8,963)	0%	-
2018	52,791,877	159,828	0.3%	(26,537)	-0.1%	-
2017	52,632,049	551,052	1.1%	(256,142)	-0.5%	-
2016	52,080,997	395,052	0.8%	(122,607)	-0.2%	-
2015	51,685,945	(10,499)	0%	53,938	0.1%	-
2014	51,696,444	500,611	1.0%	989,113	1.9%	0.5
2013	51,195,833	686,085	1.4%	1,299,683	2.5%	0.5
2012	50,509,748	444,794	0.9%	795,469	1.6%	0.6
2011	50,064,954	193,353	0.4%	1,134,833	2.3%	0.2
2010	49,871,601	108,654	0.2%	535,179	1.1%	0.2
2009	49,762,947	1,494,067	3.1%	928,827	1.9%	1.6
2008	48,268,880	1,345,235	2.9%	1,255,855	2.6%	1.1

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$7.71	127	1.0%	5.1%	60,488,441	8.3%	-0.2%
2023	\$7.63	126	1.0%	4.1%	60,935,237	8.5%	-0.1%
2022	\$7.56	125	1.0%	3.1%	60,961,734	8.6%	-0.1%
2021	\$7.49	123	0.9%	2.1%	60,305,312	8.7%	0.6%
2020	\$7.42	122	1.1%	1.1%	54,613,819	8.1%	1.3%
YTD	\$7.36	121	0.4%	0.4%	47,056,140	7.2%	0.4%
2019	\$7.33	121	0.8%	0%	44,395,708	6.9%	1.0%
2018	\$7.27	120	2.2%	-0.8%	36,894,965	5.8%	0.5%
2017	\$7.12	117	3.1%	-2.9%	33,055,395	5.4%	-0.1%
2016	\$6.90	114	0.7%	-5.9%	33,347,040	5.5%	0.3%
2015	\$6.85	113	4.0%	-6.5%	30,983,698	5.2%	0.3%
2014	\$6.59	109	3.4%	-10.1%	28,544,348	4.9%	-0.6%
2013	\$6.37	105	2.6%	-13.1%	31,523,135	5.5%	0.4%
2012	\$6.21	102	2.4%	-15.3%	28,571,664	5.1%	-0.7%
2011	\$6.06	100	2.0%	-17.3%	32,147,126	5.7%	-0.6%
2010	\$5.95	98	-1.3%	-18.9%	35,424,646	6.4%	-0.6%
2009	\$6.02	99	-0.7%	-17.8%	38,549,183	7.0%	0.9%
2008	\$6.07	100	1.6%	-17.2%	33,173,354	6.1%	0.2%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$8.18	132	1.1%	1.0%	7,757,275	6.6%	0.4%
2023	\$8.09	130	1.1%	-0.1%	7,218,853	6.1%	0.5%
2022	\$8.00	129	0.9%	-1.2%	6,610,295	5.7%	0.6%
2021	\$7.93	127	0.4%	-2.1%	5,898,558	5.1%	0.6%
2020	\$7.90	127	-0.3%	-2.5%	5,178,749	4.5%	1.5%
YTD	\$7.96	128	0.4%	-1.8%	3,612,874	3.2%	0.2%
2019	\$7.93	127	-2.1%	-2.1%	3,387,054	3.0%	0.1%
2018	\$8.10	130	4.3%	0%	3,310,872	2.9%	-0.1%
2017	\$7.76	125	5.8%	-4.2%	3,358,013	3.0%	-0.3%
2016	\$7.34	118	1.0%	-9.4%	3,682,101	3.3%	0%
2015	\$7.26	117	6.8%	-10.3%	3,544,651	3.3%	-0.3%
2014	\$6.80	109	4.9%	-16.0%	3,786,352	3.6%	-0.8%
2013	\$6.48	104	2.5%	-19.9%	4,661,571	4.4%	1.8%
2012	\$6.32	102	2.1%	-21.9%	2,702,717	2.6%	-0.5%
2011	\$6.19	100	2.3%	-23.5%	3,219,730	3.1%	0.3%
2010	\$6.06	97	-1.8%	-25.2%	2,894,848	2.8%	0%
2009	\$6.16	99	-0.9%	-23.9%	2,855,431	2.7%	0.9%
2008	\$6.22	100	1.4%	-23.2%	1,952,719	1.9%	-1.0%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$7.25	126	1.0%	5.5%	46,399,558	8.4%	-0.4%
2023	\$7.18	125	1.0%	4.5%	47,611,398	8.7%	-0.3%
2022	\$7.11	124	1.0%	3.5%	48,482,271	9.1%	-0.3%
2021	\$7.04	123	1.0%	2.5%	48,788,530	9.3%	0.6%
2020	\$6.97	121	1.5%	1.5%	44,117,739	8.7%	1.3%
YTD	\$6.90	120	0.5%	0.5%	38,111,643	7.9%	0.4%
2019	\$6.87	120	1.4%	0%	35,863,624	7.4%	1.3%
2018	\$6.77	118	1.6%	-1.4%	28,765,806	6.1%	0.6%
2017	\$6.67	116	2.8%	-2.9%	25,010,399	5.5%	-0.3%
2016	\$6.49	113	0.8%	-5.5%	25,785,150	5.8%	0.3%
2015	\$6.44	112	3.7%	-6.2%	24,076,917	5.5%	0.5%
2014	\$6.21	108	3.0%	-9.6%	21,331,429	5.0%	-0.5%
2013	\$6.02	105	2.5%	-12.3%	22,946,495	5.5%	0.3%
2012	\$5.88	102	2.2%	-14.4%	21,329,853	5.2%	-0.7%
2011	\$5.75	100	2.1%	-16.2%	24,037,627	5.9%	-0.7%
2010	\$5.64	98	-1.2%	-17.9%	26,698,549	6.6%	-0.8%
2009	\$5.70	99	-0.6%	-16.9%	29,435,978	7.4%	0.9%
2008	\$5.74	100	1.7%	-16.5%	25,528,101	6.5%	0.5%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$11.11	125	0.9%	5.9%	6,331,608	11.7%	0.4%
2023	\$11.01	124	1.0%	4.9%	6,104,986	11.3%	0.4%
2022	\$10.90	122	1.1%	3.9%	5,869,168	10.9%	0.4%
2021	\$10.78	121	1.3%	2.7%	5,618,224	10.5%	0.5%
2020	\$10.65	119	1.4%	1.4%	5,317,331	10.0%	0.3%
YTD	\$10.50	118	0.1%	0.1%	5,331,623	10.0%	0.4%
2019	\$10.50	118	2.1%	0%	5,145,030	9.7%	0.6%
2018	\$10.28	115	2.3%	-2.1%	4,818,287	9.1%	0.2%
2017	\$10.05	113	1.1%	-4.3%	4,686,983	8.9%	1.5%
2016	\$9.94	111	0%	-5.3%	3,879,789	7.4%	0.9%
2015	\$9.94	111	1.5%	-5.3%	3,362,130	6.5%	-0.1%
2014	\$9.79	110	3.3%	-6.7%	3,426,567	6.6%	-1.0%
2013	\$9.47	106	3.6%	-9.8%	3,915,069	7.6%	-1.3%
2012	\$9.15	103	4.7%	-12.9%	4,539,094	9.0%	-0.8%
2011	\$8.74	98	0.9%	-16.7%	4,889,769	9.8%	-1.9%
2010	\$8.66	97	-1.3%	-17.5%	5,831,249	11.7%	-0.9%
2009	\$8.78	98	-1.5%	-16.4%	6,257,774	12.6%	0.8%
2008	\$8.91	100	1.9%	-15.1%	5,692,534	11.8%	-0.1%

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
2024	-	-	-	-	-	-	\$85.22	168	6.8%
2023	-	-	-	-	-	-	\$84.21	166	6.8%
2022	-	-	-	-	-	-	\$83.40	164	6.7%
2021	-	-	-	-	-	-	\$83.59	165	6.6%
2020	-	-	-	-	-	-	\$82.54	163	6.6%
YTD	197	\$256.5 M	2.4%	\$7,542,917	\$85.92	6.0%	\$80.79	159	6.6%
2019	1,194	\$1,505 M	5.9%	\$4,703,249	\$90.68	7.7%	\$80.29	158	6.6%
2018	1,313	\$1,324 M	7.1%	\$4,518,167	\$77.46	6.6%	\$78.43	154	6.5%
2017	1,223	\$1,187 M	5.9%	\$3,956,213	\$75.15	7.6%	\$76.55	151	6.4%
2016	921	\$458.2 M	3.8%	\$3,024,756	\$69.81	7.5%	\$73.44	145	6.4%
2015	1,035	\$1,105 M	6.0%	\$5,498,973	\$88.41	6.8%	\$70.62	139	6.5%
2014	987	\$764.1 M	4.9%	\$3,081,098	\$66.14	8.0%	\$64.31	127	6.8%
2013	836	\$478.2 M	5.2%	\$2,543,472	\$52.94	7.4%	\$59.54	117	7.0%
2012	888	\$578.3 M	4.5%	\$2,072,840	\$56.29	8.3%	\$56.78	112	7.2%
2011	589	\$410.2 M	3.5%	\$2,868,694	\$43.70	8.3%	\$53.15	105	7.5%
2010	378	\$239.7 M	2.6%	\$1,964,612	\$47.91	9.0%	\$49.83	98	7.8%
2009	326	\$161.1 M	1.5%	\$1,362,104	\$52.19	9.0%	\$47.44	93	8.2%

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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
2024	-	-	-	-	-	-	\$78.16	170	6.7%
2023	-	-	-	-	-	-	\$77.15	168	6.6%
2022	-	-	-	-	-	-	\$76.36	166	6.6%
2021	-	-	-	-	-	-	\$76.62	166	6.5%
2020	-	-	-	-	-	-	\$76.11	165	6.4%
YTD	11	\$8.0 M	0.4%	\$8,000,000	\$99.22	-	\$75.61	164	6.5%
2019	115	\$166.2 M	5.3%	\$5,541,636	\$94.07	6.4%	\$75.10	163	6.5%
2018	128	\$123.5 M	5.3%	\$4,410,975	\$58.19	7.4%	\$72.91	158	6.4%
2017	128	\$133.2 M	4.8%	\$4,295,790	\$95.88	5.4%	\$70.99	154	6.3%
2016	102	\$36.5 M	3.7%	\$3,645,088	\$59.64	8.6%	\$68.32	148	6.3%
2015	92	\$179.3 M	4.4%	\$12,808,437	\$153.88	7.7%	\$65.76	143	6.4%
2014	104	\$42.6 M	2.9%	\$2,661,235	\$48.44	8.0%	\$59.61	129	6.7%
2013	93	\$33.2 M	2.8%	\$2,077,490	\$69.75	7.6%	\$54.57	119	6.9%
2012	88	\$49.1 M	2.9%	\$2,727,402	\$63.25	8.7%	\$52.13	113	7.1%
2011	53	\$18.1 M	1.7%	\$1,395,759	\$36.10	9.2%	\$48.60	106	7.4%
2010	43	\$52.1 M	2.3%	\$3,720,928	\$47.39	8.9%	\$45.50	99	7.7%
2009	42	\$25.8 M	1.3%	\$1,230,055	\$36.12	11.9%	\$43.25	94	8.1%

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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
2024	-	-	-	-	-	-	\$83.86	168	6.8%
2023	-	-	-	-	-	-	\$82.87	166	6.8%
2022	-	-	-	-	-	-	\$82.09	164	6.7%
2021	-	-	-	-	-	-	\$82.27	164	6.6%
2020	-	-	-	-	-	-	\$81.16	162	6.6%
YTD	145	\$221.0 M	2.8%	\$9,209,421	\$82.57	5.9%	\$79.25	158	6.6%
2019	917	\$1,075 M	5.8%	\$4,775,724	\$84.97	7.9%	\$78.75	157	6.6%
2018	1,013	\$1,128 M	7.5%	\$4,924,635	\$79.54	6.3%	\$76.91	154	6.5%
2017	938	\$893.9 M	5.9%	\$4,380,413	\$73.29	6.9%	\$75.09	150	6.4%
2016	700	\$385.8 M	3.8%	\$3,323,740	\$73.43	7.5%	\$71.93	144	6.4%
2015	831	\$783.4 M	6.4%	\$5,054,144	\$77.64	6.9%	\$69.23	138	6.5%
2014	756	\$644.4 M	5.3%	\$3,338,751	\$65.89	7.9%	\$63.06	126	6.8%
2013	653	\$401.1 M	5.9%	\$2,604,566	\$49.97	7.5%	\$58.49	117	7.0%
2012	654	\$424.3 M	4.6%	\$2,090,241	\$53.73	8.2%	\$55.79	111	7.2%
2011	426	\$320.1 M	3.8%	\$3,405,295	\$39.94	8.5%	\$52.27	104	7.5%
2010	290	\$162.0 M	2.5%	\$1,669,979	\$47.05	8.9%	\$49.02	98	7.8%
2009	230	\$118.9 M	1.4%	\$1,446,550	\$61.87	8.3%	\$46.72	93	8.2%

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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
2024	-	-	-	-	-	-	\$113.40	166	6.9%
2023	-	-	-	-	-	-	\$112.15	165	6.9%
2022	-	-	-	-	-	-	\$111.07	163	6.9%
2021	-	-	-	-	-	-	\$111.17	163	6.7%
2020	-	-	-	-	-	-	\$109.47	161	6.7%
YTD	41	\$27.4 M	2.6%	\$3,048,118	\$120.59	6.1%	\$106.64	156	6.8%
2019	162	\$264.3 M	7.4%	\$4,065,426	\$120.97	7.7%	\$106.14	156	6.8%
2018	172	\$73.0 M	7.2%	\$2,015,947	\$91.75	7.4%	\$104.87	154	6.6%
2017	157	\$160.1 M	7.7%	\$2,462,926	\$72.35	9.4%	\$102.39	150	6.5%
2016	119	\$36.0 M	3.8%	\$1,389,336	\$51.52	7.4%	\$98.88	145	6.5%
2015	112	\$142.6 M	5.8%	\$4,455,724	\$114.50	6.1%	\$94.39	138	6.6%
2014	127	\$77.2 M	5.6%	\$1,978,299	\$86.29	8.3%	\$86.32	127	6.9%
2013	90	\$43.8 M	4.7%	\$2,434,990	\$82.75	7.2%	\$80.28	118	7.1%
2012	146	\$104.9 M	7.0%	\$1,808,796	\$65.52	8.5%	\$76.28	112	7.2%
2011	110	\$72.0 M	4.7%	\$1,999,462	\$82.77	8.1%	\$71.32	105	7.5%
2010	45	\$25.6 M	3.9%	\$2,327,431	\$55.52	10.0%	\$66.89	98	7.9%
2009	54	\$16.3 M	2.9%	\$1,085,336	\$36.32	9.0%	\$63.43	93	8.3%

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