



Industrial Market Report

Houston - TX USA

PREPARED BY



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Broker/Owner



INDUSTRIAL MARKET REPORT

Market Key Statistics	1
Leasing	3
Rent	8
Construction	10
Under Construction Properties	12
Sales	14
Sales Past 12 Months	16
Economy	18
Market Submarkets	23
Supply & Demand Trends	27
Rent & Vacancy	29
Sale Trends	31

12 Mo Deliveries in SF

22.2M

12 Mo Net Absorption in SF

17.8M

Vacancy Rate

6.9%

Market Asking Rent Growth

2.0%

Houston's industrial market has turned a corner heading into the final months of 2024. Absorption exceeded new supply in 24Q3 for the first time since late 2022 and the vacancy rate has stabilized after rising for the past 18 months. Similar to other fast-growing Sun Belt markets such as D-FW and Phoenix, Houston recently received a record amount of speculative new supply. But the strength of tenant demand in Houston cannot be overlooked. Absorption rates have remained much stronger than most major U.S. markets and the recent record levels of new construction completions are beginning to tail off.

Leasing volumes, while down 20% from the fervent pace seen between 2021 and 2023, are still more than 35% above the 2017-2019 levels as occupiers related to logistics and manufacturing continue to expand. For example, tenants like Integra Mission Critical and Solar Plus, combined, leased almost 2 million SF at newly built industrial properties in the North Hardy Toll Road, a high-demand area due to its proximity to George Bush Intercontinental Airport. New supply is not concentrated in one specific part of Houston, but rather areas near Beltway 8. Availability rates are especially high in the Northeast Hwy 90 Submarket, along I-69 and Beltway 8 near the George Bush Intercontinental Airport and the Union Pacific rail yards. The area is home to the 4,300-acre Generation Park, that has been a prime recipient of big box properties built on spec in recent years. The availability rate among existing buildings larger than 100,000 SF there is now double the 2019-year end tally.

While Houston's vacancy rate will likely decline over the

next several quarters, it could take more than two years for it to fall back down to the 2017-2019 average of 5.3%. Today, there is still 15.6 million SF under construction, 70% of which is available for lease.

In response to the recent supply wave, annual rent growth has slowed to 2.0%, near eight-year lows. Segments of the market that still have relatively low availability rates, such as small-bay industrial, should also outperform. Build-out allowances and free rent remain minimal for these spaces, while in spaces over 50,000 SF, it is not unusual for tenants to receive three to five months free for a five-year term.

Like national trends, higher interest rates have caused construction starts on new industrial projects to plunge since last fall. Groundbreakings are currently at 12-year lows. Quarterly net deliveries will remain elevated through the end of the year, but will likely fall sharply by mid-2025. This could set the stage for falling vacancies and accelerating rent growth next year.

Over the long term, Houston's unique demand drivers are intact and supportive of industrial demand, which includes the major port, one of the top metros for population growth, along with a massive manufacturing sector and petrochemical industry. Over the past three years, Houston has added around 380,000 new residents, one of the largest gains in the country. Meanwhile, while down from 2022's all-time high, the Port of Houston still had one of its busiest years on record last year and is performing similarly this year.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	643,911,949	7.6%	\$8.48	10.1%	693,891	1,015,886	14,674,246
Specialized Industrial	128,646,513	2.4%	\$10.26	4.2%	367,432	0	489,344
Flex	62,058,825	8.6%	\$13.05	9.4%	21,002	92,500	445,842
Market	834,617,287	6.9%	\$9.08	9.2%	1,082,325	1,108,386	15,609,432

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.3% (YOY)	6.1%	6.7%	8.7%	2004 Q1	4.1%	1999 Q1
Net Absorption SF	17.8M	12,804,548	15,337,582	44,810,672	2022 Q2	1,429,891	2001 Q2
Deliveries SF	22.2M	15,548,228	16,979,620	37,030,039	2023 Q4	4,800,529	2011 Q1
Market Asking Rent Growth	2.0%	2.5%	3.0%	9.0%	2000 Q2	-1.5%	2010 Q3
Sales Volume	\$718M	\$668.9M	N/A	\$3.2B	2022 Q1	\$131.3M	1999 Q4

Trailing 12-month net absorption in Houston is at the lowest level since 2021, though still 50% above the annual average tallied between 2017 and 2019. For context, nationally, trailing 12-month net absorption is at the lowest mark since 2012. Much of this absorption was driven by a range of 500,000-plus-SF move ins by third party logistics tenants including Distribution Alternatives and Palmer Logistics, as well as tenants tied to data centers, like Integra Mission Critical LLC and manufacturing, such as Solar Plus. Retail giants like Target and Amazon have also been growing, expanding into newly built distribution properties along key corridors like Sam Houston Tollway and Hardy Toll Road.

New speculative construction has been heavily concentrated toward larger logistics facilities. Availability rates remain above 10% among properties larger than 100,000 SF. For context, the market's availability rate is 9.2%. Vacant big box space is most likely to accumulate in areas where large-scale speculative construction activity is most prevalent like Sugar Land (southwest), home to several master-planned communities, and the East-Southeast Far Submarket, home to the Port of Houston.

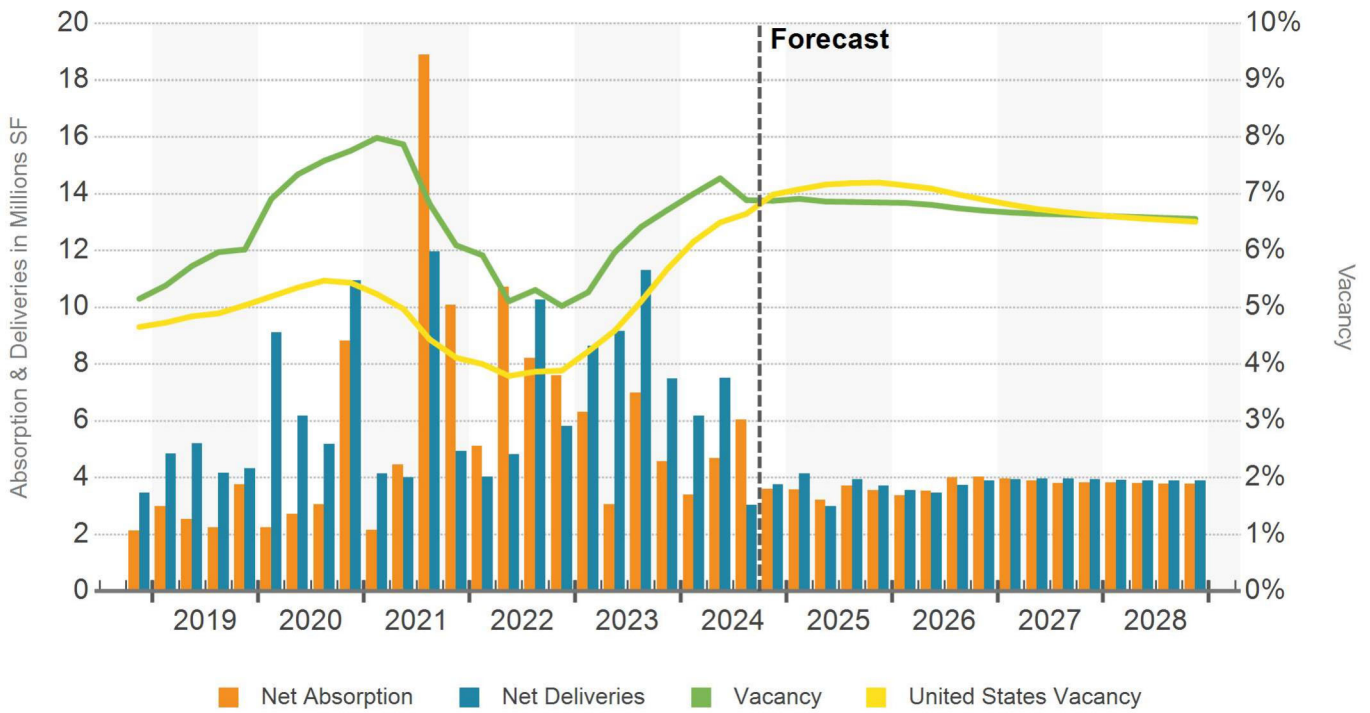
Conversely, the availability rate in buildings smaller than 25,000 SF, where construction remains minimal, is trending in the high 6% range. By location, the availability rate of small bay properties falls drastically in areas near the oil refineries where the density of existing industrial space keeps the pace of additional development limited. For example, the current availability rate for small-bay properties in the Southeast Outer Loop Submarket, which is adjacent to most of Houston's

oil refineries, is around 2%. In March, a tenant leased 5,000 SF of a 35,000-SF warehouse at an asking rate of \$7.70/SF. The 1979-built property, which was last renovated in 2005, was on the market for just one month. It is a five-minute drive from the Valero Houston Refinery.

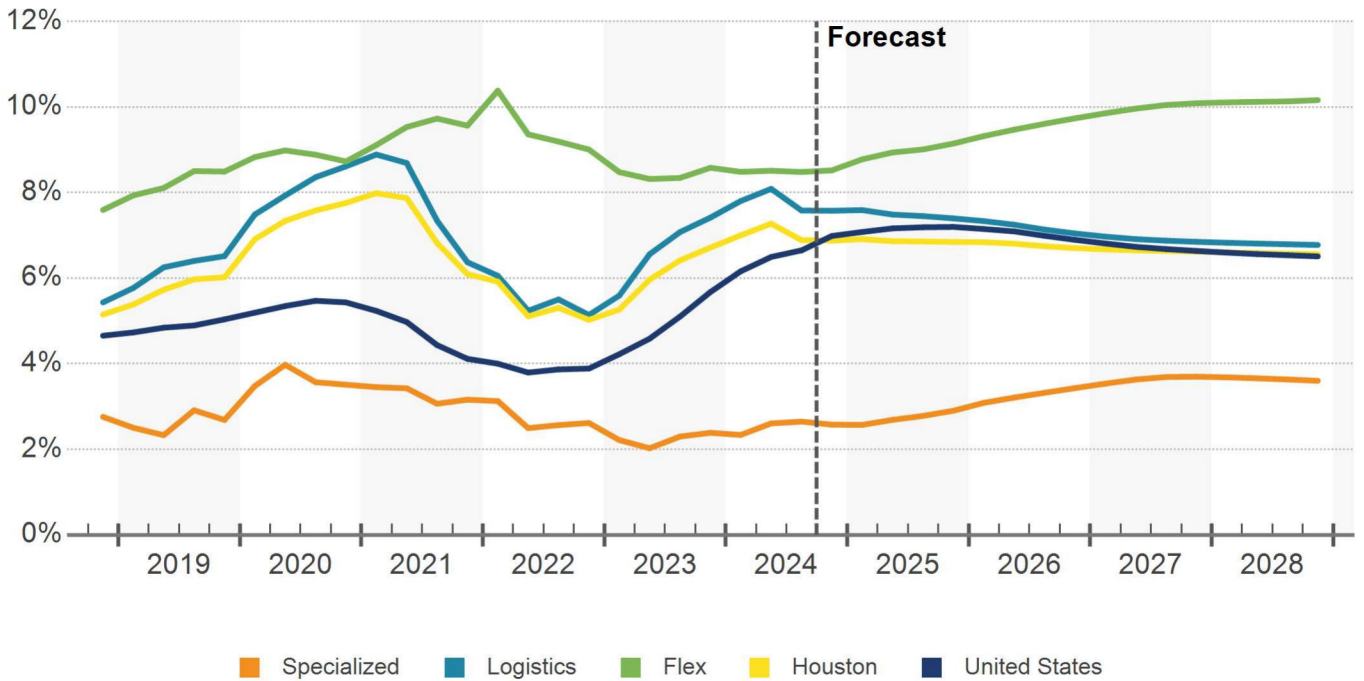
Worth noting is that across the market, the small-bay property availability rate is at a three-year high, while among the big box space, it is at a three-year low. The rise in availability among small-bay properties could be due to several factors. Many of these tenants are digesting major rent increases and reducing underutilized space as a cost-cutting strategy. Also, interest rates have been high for a while now, keeping home sales low and challenging small businesses such as construction trades contractors that occupy a lot of small bay spaces.

The supply-driven spike in vacancy seen in 2023 has reversed course though at 6.9% today, remains above the 10-year average of 5.9%. Quarterly net deliveries fell below 4 million SF in 24Q3, the first time this occurred since early 2022. Total leasing activity, a leading indicator of future net absorption, tallied 46 million SF in the trailing 12-month period through 24Q3, which is still more than 35% above the annual averages between 2017 and 2019. Furthermore, high borrowing costs and a stricter lending environment have kept some developers unable to move forward on proposed projects and construction starts have pulled back sharply in recent quarters. Annual new supply next year is anticipated to fall to a 13-year low. All of these factors should aid in further vacancy rate compression in the quarters ahead.

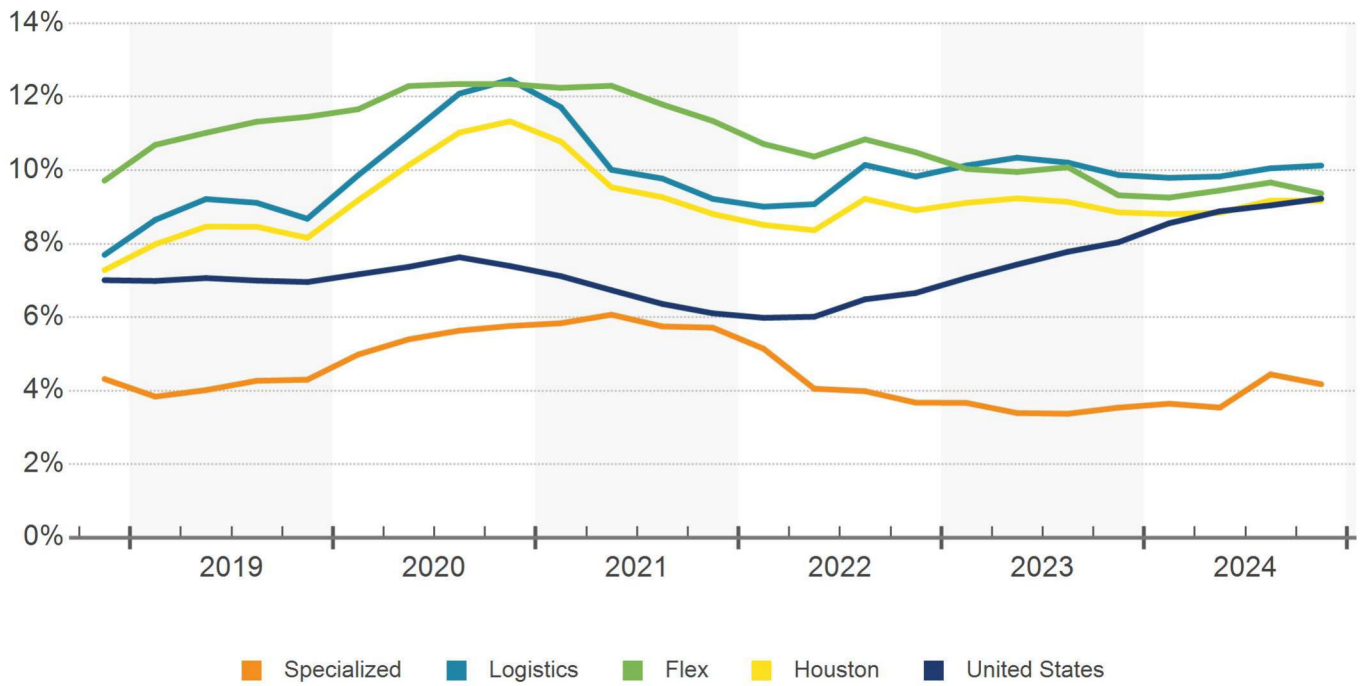
NET ABSORPTION, NET DELIVERIES & VACANCY



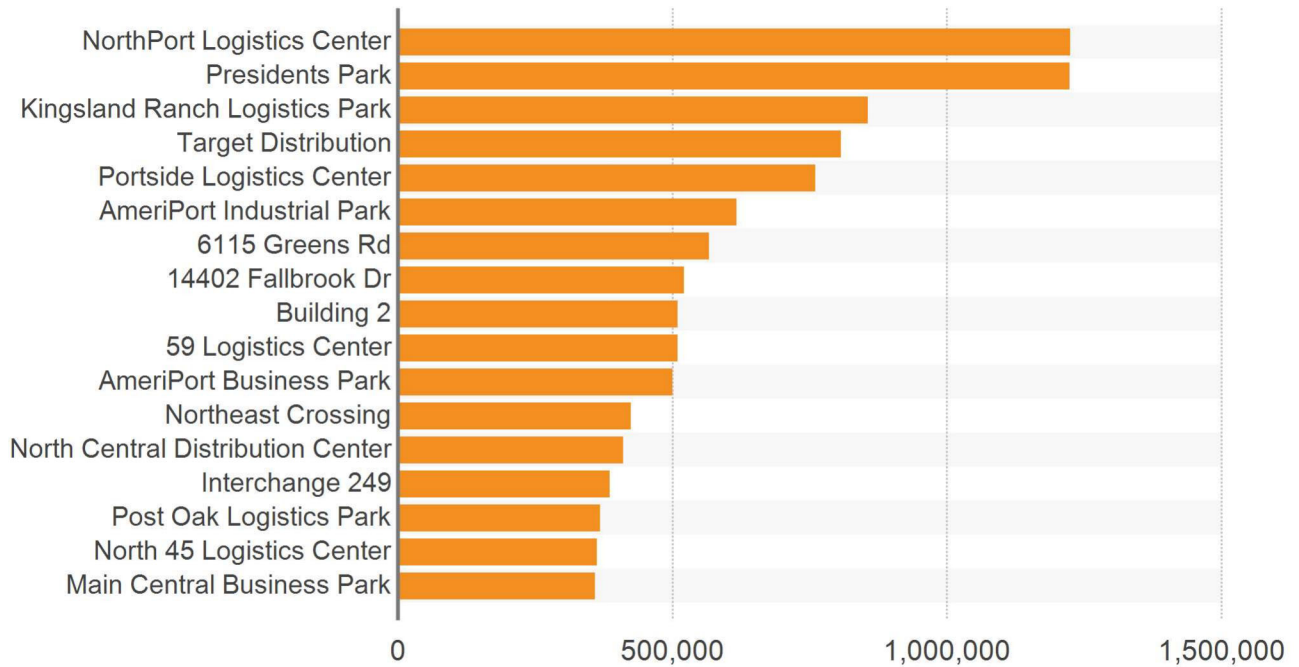
VACANCY RATE



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
NorthPort Logistics Center	The Woodlands/Conr...	1,224,498	0	0	0	1,224,498	0	1,224,498
Presidents Park	North Hardy Toll Roa...	1,230,097	0	0	1,213,573	0	0	1,223,092
Kingsland Ranch Logistics Park	Sugar Land Ind	855,610	0	855,610	0	0	0	855,610
Target Distribution	Northeast Hwy 90 Ind	1,400,000	0	0	0	0	0	806,520
Portside Logistics Center	East-Southeast Far Ind	760,364	0	0	0	760,364	0	760,364
AmeriPort Industrial Park	East-Southeast Far Ind	616,700	0	0	0	616,700	0	616,700
6115 Greens Rd	North Hardy Toll Roa...	567,140	0	0	0	0	567,140	567,140
14402 Fallbrook Dr	Northwest Hwy 6 Ind	521,600	0	317,003	0	0	204,597	521,600
Building 2	Sugar Land Ind	509,975	0	0	0	0	509,975	509,975
59 Logistics Center	Northeast Hwy 90 Ind	509,600	0	0	0	509,600	0	509,600
AmeriPort Business Park	East-Southeast Far Ind	1,000,997	0	0	0	500,000	0	500,000
Northeast Crossing	Northeast I-10 Ind	424,404	0	424,404	0	0	0	424,404
North Central Distribution Center	North Hardy Toll Roa...	409,795	0	0	409,795	0	0	409,795
Interchange 249	Northwest Hwy 6 Ind	739,898	353,996	0	385,902	0	0	385,902
Post Oak Logistics Park	Southwest Far Ind	368,099	0	0	368,099	0	0	368,099
North 45 Logistics Center	North Fwy/Tomball P...	362,030	0	0	0	0	362,030	362,030
Main Central Business Park	Southwest Far Ind	524,189	164,837	0	225,712	0	133,640	359,036
Subtotal Primary Competitors		12,024,996	518,833	1,597,017	2,603,081	3,611,162	1,777,382	10,404,365
Remaining Houston Market		822,693,538	56,915,801	1,794,124	2,088,397	2,424,150	(695,057)	7,428,848
Total Houston Market		834,718,534	57,434,634	3,391,141	4,691,478	6,035,312	1,082,325	17,833,214

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
00 Conroe Park Dr W	The Woodlands/Conroe	1,224,498	Q3 24	BroadRange Logistics	Strategic Real Estat...	CBRE
15550 Milner Rd	North Hardy Toll Road	1,213,573	Q2 24	Integra Mission Critical LLC	NAI Robert Lynn	CBRE;Prologis, Inc.
22206 Beckendorff Rd	Northwest Outliers	843,360	Q4 23	Builders First Source	-	Colliers
10485 W Bellfort Dr *	Hwy 59/Hwy 90 (Alt)	834,400	Q4 23	Men's Wearhouse	-	-
6115 Greens Rd	North Hardy Toll Road	567,140	Q1 24	Solar Plus	Rogers Healy and A...	Boyd Commercial, LLC...
28119 Katy Fwy	Sugar Land	509,975	Q3 24	Lecangs	-	Cushman & Wakefield
17440 Highway 59	Northeast Hwy 90	509,600	Q1 24	United Airlines	CBRE	JLL
359 Old Underwood Rd *	East-Southeast Far	450,000	Q4 23	CRC Global Solutions	-	Transwestern Real Est...
4838 Borusan Rd	East-Southeast Far	432,316	Q3 24	Gulf Coast Crating	First Houston Proper...	Stream Realty Partners...
28501 Us-90 Hwy	Northwest Outliers	420,000	Q3 24	Elogistek	Cushman & Wakefield	Newmark
19200 Hamish Rd	Northwest Hwy 6	385,902	Q4 23	Imperial Star	PropNex Realty	Cushman & Wakefield
359 Pike Ct *	East-Southeast Far	372,090	Q2 24	PGS	Colliers	Transwestern Real Est...
12631 Main St	Southwest Far	368,099	Q2 24	eFulfill, Inc	-	Cushman & Wakefield
5335 Cedar Port Pky	East-Southeast Far	341,000	Q1 24	Gulf Coast Crating	-	Lee & Associates
4838 Borusan Rd	East-Southeast Far	328,048	Q2 24	Tigerhawk Logistics	Savills	Stream Realty Partners...
14942 S Post Oak Rd	Southwest Far	302,825	Q4 24	-	-	Colliers
9255 Railroad Dr	Northeast Hwy 90	300,000	Q3 24	nVntori	Colliers	Stream Realty Partners...
3005 Highway 225 *	East-Southeast Far	300,000	Q4 23	Modern Polymer Products...	JLL	Transwestern Real Est...
3200 S FM 565 RD	East-Southeast Far	298,632	Q3 24	Starwood Logistics	NAI Robert Lynn	Cushman & Wakefield
6462 Northdale St	South Hwy 35	291,459	Q2 24	RPM Warehouse	KBC Advisors	CBRE
8718 Fairbanks N Houston	Hwy 290/Tomball Pky	287,470	Q3 24	-	Newmark	Stream Realty Partners...
6400 Hollister St *	Northwest Near	276,000	Q4 23	Staples	-	Prologis, Inc.
7561 S Sam Houston Pky E	South Hwy 35	273,480	Q1 24	Keen Transport, Inc.	CBRE	JLL
10535 Red Bluff Rd	East-Southeast Far	256,966	Q4 23	Cubework	-	NAI Robert Lynn
2830 E Pasadena Blvd	East-Southeast Far	254,705	Q2 24	Ironwear	-	Cushman & Wakefield
15600 Morales Rd	North Hardy Toll Road	253,180	Q1 24	Harris County	-	CBRE;Prologis, Inc.
8905 Spikewood Dr	Northeast Hwy 90	251,600	Q4 23	-	-	Warehouse Associates
4414 Hollister Rd	Northwest Inner Loop	234,215	Q1 24	Lonestar Electric Supply	-	-
13393 South Main St	Southwest Far	225,712	Q2 24	R.W.Flame	TopSky Realty Texa...	Cushman & Wakefield
8251 Liberty Rd	Northeast Hwy 90	212,984	Q2 24	MS Warehousing	CBRE;Savills	Cushman & Wakefield
8518 W Little York Rd	Hwy 290/Tomball Pky	211,344	Q2 24	Mitsubishi Logisnext Amer...	-	JLL
1202 E FM 1960 Rd	North Hardy Toll Road	206,333	Q1 24	Amazon	KBC Advisors	CBRE
14402 Fallbrook Dr	Northwest Hwy 6	204,597	Q2 24	Lecangs	-	Lee & Associates
28350 W Ten Blvd	Northwest Outliers	195,938	Q2 24	Safelite Autoglass	-	NAI Robert Lynn;Trans...
3101 Eastveld Dr	North Hardy Toll Road	195,910	Q4 23	PrimeSource Building Pro...	-	CBRE
4510 Brittmoore Rd	Northwest Inner Loop	192,400	Q2 24	Safespill Systems	Transwestern Real...	Colliers
2222 N Wayside Dr	Northeast Inner Loop	189,018	Q3 24	World Trade Distribution, I...	-	-
2304 Reed Rd	South Hwy 35	179,872	Q1 24	Westore Frozen	-	Cushman & Wakefield
6401 Cavalcade St	Northeast Inner Loop	177,720	Q2 24	Sun Coast Resources, LLC	-	-
5115 Shaver	East-Southeast Far	169,677	Q4 23	New Era Technology	-	Junction Commercial R...

*Renewal

Year-over-year, Houston's industrial rent growth has slowed from the record high of 5.2% seen in mid-2022 to 2.0% today, in tandem with higher vacancy rates and notable rent increases recorded in recent years that are curbing tenants' ability to absorb further significant increases in market rents. Rents have increased by 11.8% over the past three years and by 36.8% over the past decade.

By size, rents for small bay properties are driving recent rent growth due to tighter availability rates and limited pressure from new supply. The average triple net asking rent for all industrial spaces 10,000 to 50,000 SF leased through the first three quarters of 2024 was up 10% compared to the same period in 2023, a much stronger performance than the average triple net asking rents for logistics spaces 50,000 SF or larger, which was down 3% during that same period comparison.

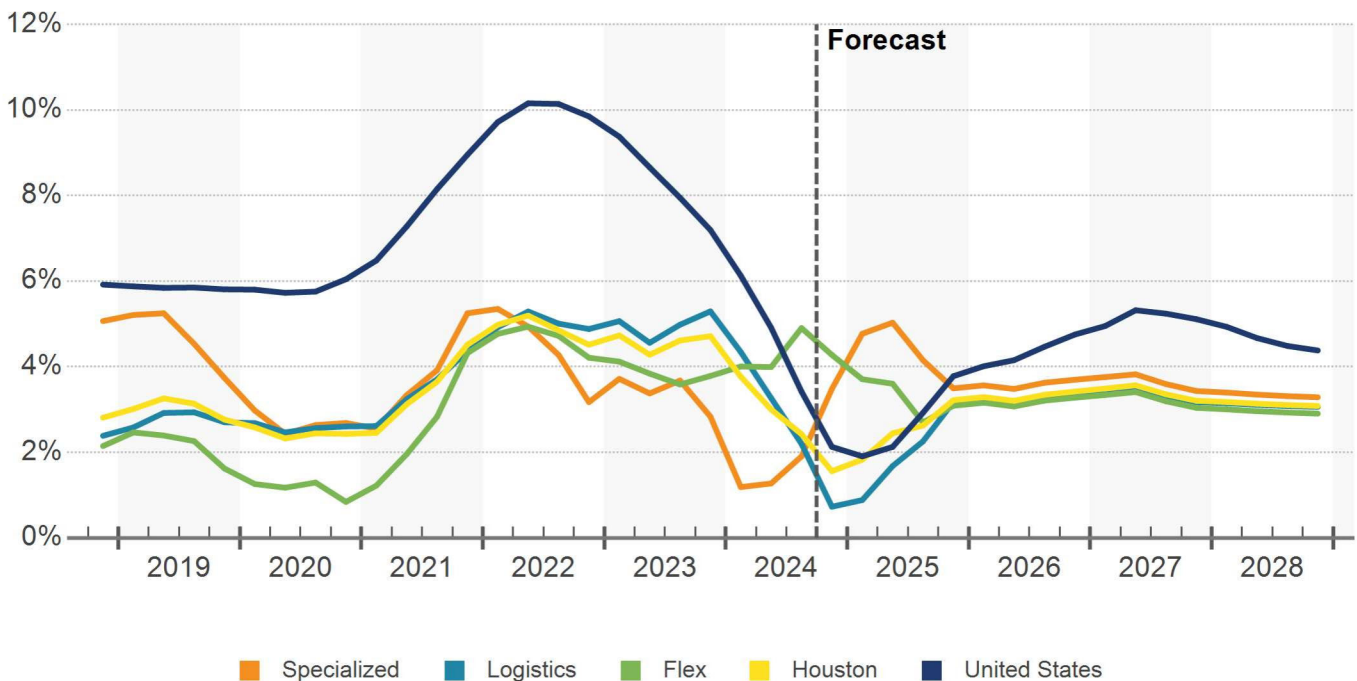
Owners continue to offer free rent concessions at relatively low levels despite the recent supply wave. Securing two to three months worth of free rent on leases of five to seven years remains typical. For smaller footprints, this number is even smaller due to strong demand and a dearth of new supply. For example, in

April, freight forwarding service Cargo Masters committed to a 16,000-SF warehouse in Houston built in 1975 for \$12/SF NNN. There was no free rent given on the three-year lease. The property is on the corner of Sam Houston Tollway and I-45 and was on the market for just two months.

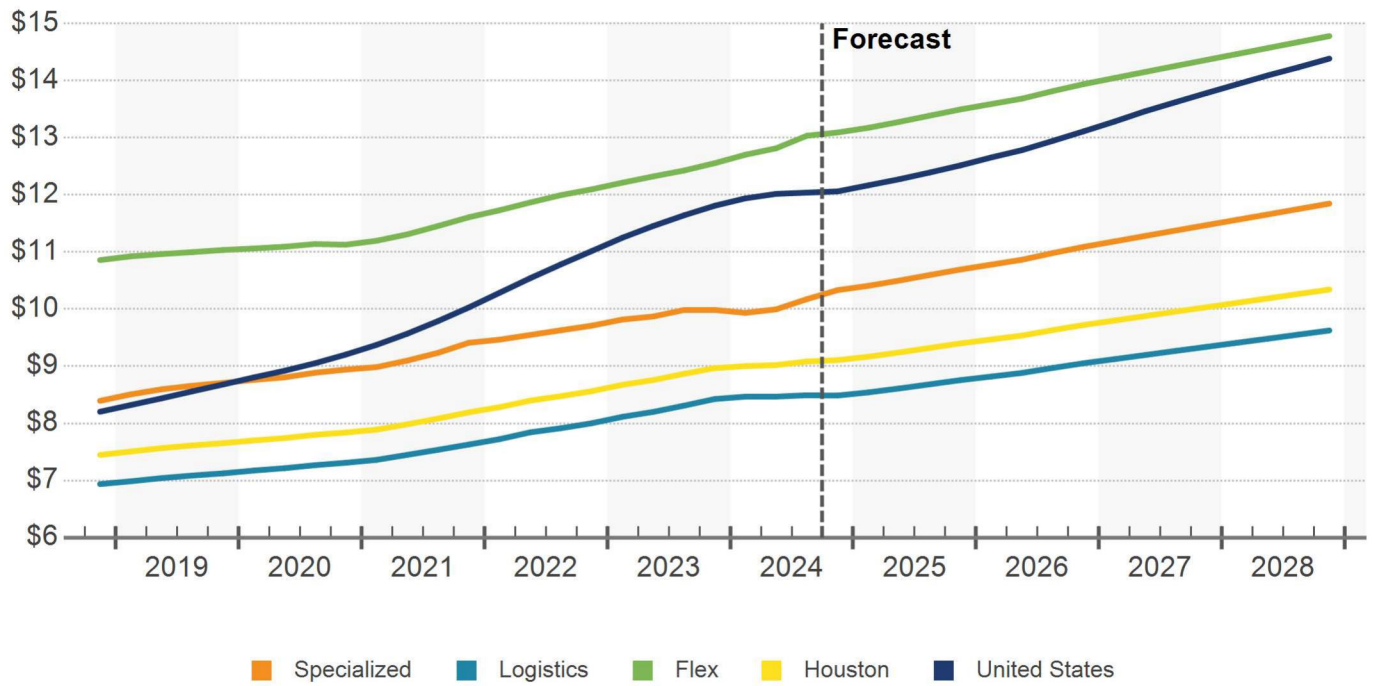
As with any economies of scale, the more space a tenant is willing to take on, the less they will usually end up paying on a per-SF basis. For example, in June, a tenant subleased an entire 210,000-SF warehouse built in 2007 for an asking rate of \$6.12/SF NNN at the Cole Creek Business Park, which is blocks away from U.S. Route 290 and Beltway 8. In April, a tenant signed a 160,000-SF lease at a 1.2 million-SF warehouse in Downtown built in 1942 at an asking rate of \$5.40/SF NNN on a four-year term.

In the near term, rent growth will likely decelerate further in both the small bay and big box logistics segments. Even so, with industrial construction starts at 12-year lows, there is a potential for rent growth to reaccelerate in 2025-26 as more robust demand and a slowdown in new supply drive vacancy lower again.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



The Houston industrial market is approaching the end of a record development wave. More than 37 million SF were delivered last year, the second-most in the country behind D-FW, that delivered double that amount. Quarterly net supply additions will remain elevated through the remainder of 2024, but are on pace to fall below the 2017-2019 three-year average by early 2025. Annually, new supply in 2025 is on track to hit an eight-year low.

As of the fourth quarter of 2024, there is 15.6 million SF still under construction, 70% of which is still available for lease. When compared to other fast-growing Sun Belt markets, the pace of development remains disciplined, with 1.9% of inventory underway, versus Phoenix (6%) and Austin (12%) which are at far greater risk of overbuilding.

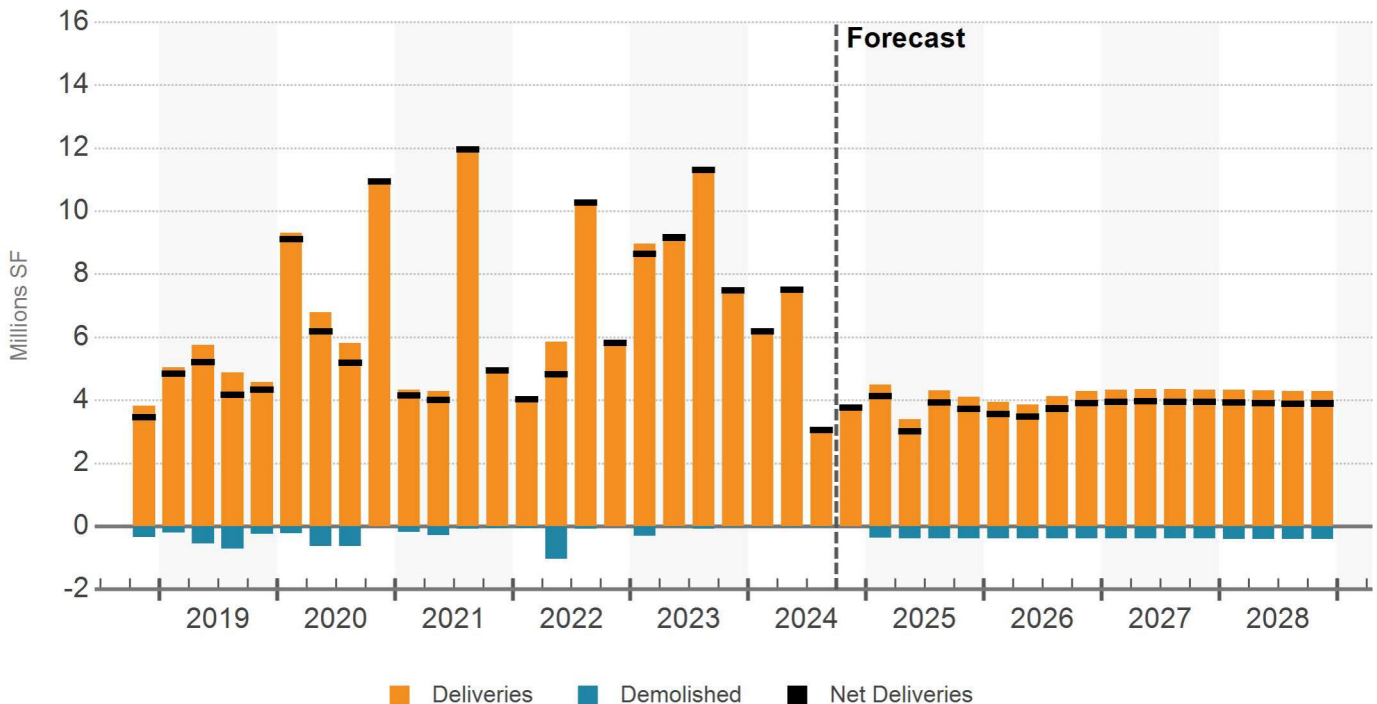
Supply-side pressure is most pronounced among big box space, which have made up the bulk of recent deliveries. Of the 10 buildings spanning over 1 million SF completed since 2023, six are fully leased. Availability among all buildings over 1 million SF stands at 12%. In the 500,000 SF to 1 million SF size range, 10 of the 24 buildings that have completed since 2023 are available.

The availability rate falls closer to the market rate—9.2%— for properties spanning 100,000 to 500,000 SF, currently at around 9.5%.

Construction activity is concentrated in suburban submarkets with affordable, available land near transportation nodes, especially in the southeast, near the Port of Houston and the the TGS Cedar Port Industrial Park, as well as in the Northwest, at the heart of Houston's population growth. East Southeast Far and Northeast Hwy 90 stand out as submarkets with risks of prolonged higher availability rates. Both have availability rates of around 11%—among the highest in Houston— due to a wave of large speculative boxes. When looking at projects 100,000 SF or larger built since 2023 or underway, the rate jumps to 50% in East Southeast Far and 60% in Northeast Hwy 90. At a metro-level, that rate stands at 45%.

Construction starts during the first three quarters of 2024 totaled 9 million SF, the lowest mark since 2012. With interest rates and construction costs unlikely to fall meaningfully anytime soon, groundbreakings are expected to ease further throughout the year and as a result, supply pressure in the medium term.

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	16	2,073	983	47.4%	2	41,107	129,534	5
2	South Hwy 35	28	1,882	781	41.5%	3	24,574	67,196	9
3	East I-10 Outer Loop	6	1,754	0	0%	9	56,486	292,306	1
4	Northeast Hwy 90	8	1,736	240	13.8%	6	40,357	216,991	3
5	North Fwy/Tomball Pky	82	1,563	346	22.1%	5	28,043	19,060	10
6	Southwest Far	9	1,440	5	0.4%	8	33,482	159,952	4
7	Northwest Outliers	13	1,272	1,144	90.0%	1	45,311	97,826	6
8	Hwy 59/Hwy 90 (Alt)	3	821	23	2.8%	7	27,259	273,733	2
9	West Outer Loop	8	726	0	0%	9	34,869	90,769	7
10	North Hardy Toll Road	10	672	193	28.8%	4	49,335	67,242	8
	All Other	45	1,672	270	16.1%		30,772	37,147	
Totals		228	15,609	3,986	25.5%		33,271	68,462	

Under Construction Properties

Houston Industrial

Properties

Square Feet

Percent of Inventory

Released

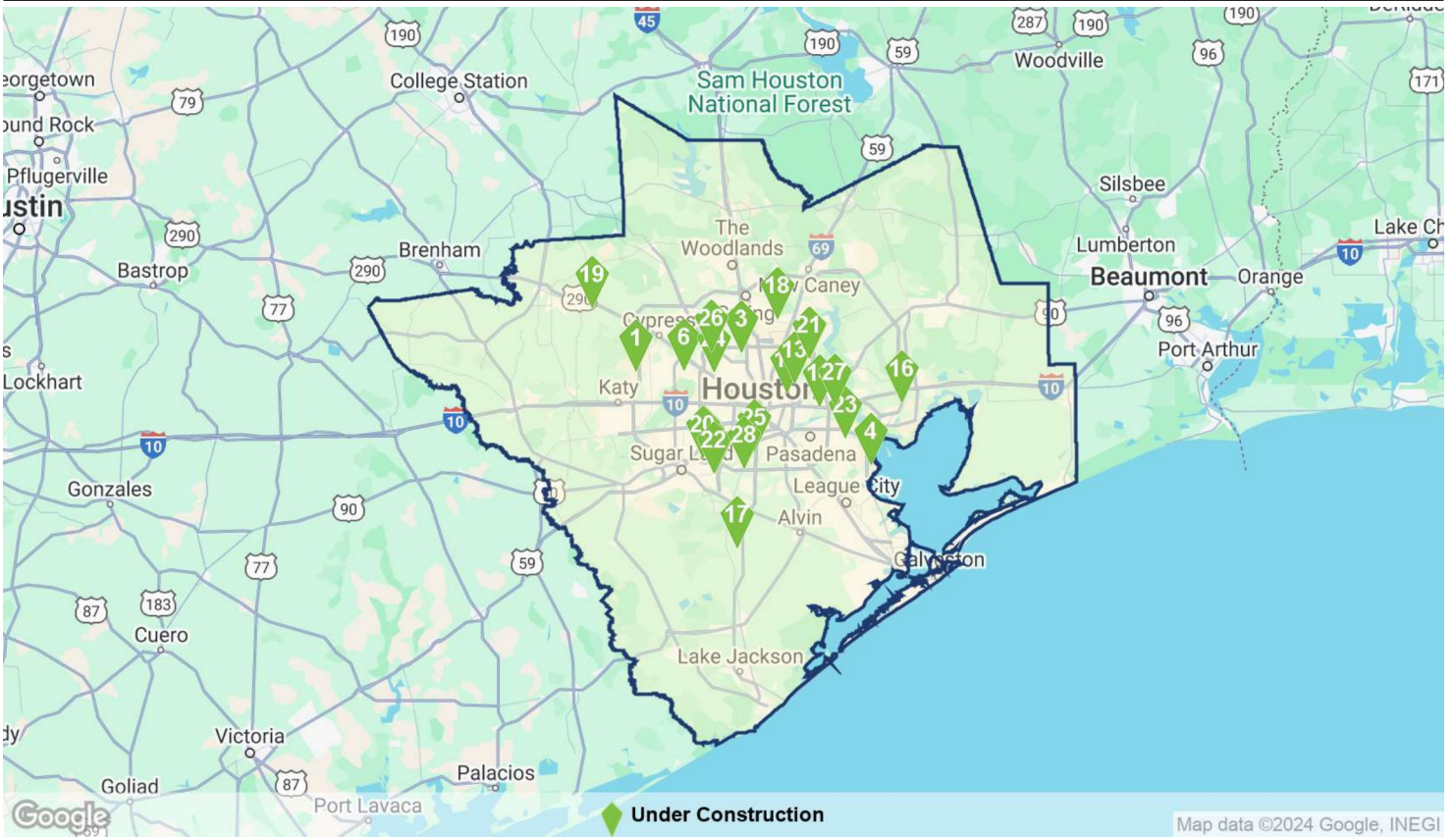
243

16,000,257

2.1%

25.3%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Building 2 22206 Beckendorff Rd	★★★★★	843,360	1	Oct 2023	Dec 2024	PinPoint Commercial PinPoint Commercial
2 Building 1 15600 Carpenters Logistic...	★★★★★	752,134	1	Apr 2024	Jan 2025	Trammell Crow Company Trammell Crow Company
3 WestPoint 45 410 West Rd	★★★★★	728,080	1	May 2024	Apr 2025	Vigavi Realty LLC Vigavi Realty LLC
4 Packwell 00 Port Rd	★★★★☆	725,000	1	Mar 2023	Mar 2025	Angler Construction Packwell
5 Building 1 12330 Lockwood Rd	★★★★☆	591,560	1	Sep 2024	Apr 2025	Transwestern Development Com... Transwestern Real Estate Services
6 Constellation Eldridge 6401 N Eldridge Pky	★★★★☆	537,375	1	May 2024	Dec 2024	Constellation Real Estate Partners Constellation Real Estate Partners
7 Stafford Logistics- Build	★★★★☆	530,400	1	Jan 2024	Dec 2024	Lovett Industrial, LLC Lovett Industrial, LLC

Under Construction Properties

Houston Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 14650 Levey Ln	★★★★★	496,560	1	Aug 2024	Mar 2025	Levey Group -
9 Building 5 16741 Blue Ridge Comme...	★★★★★	430,988	1	Aug 2024	Aug 2025	- Trammell Crow Company
10 Baytown 146 2 5814 N Highway 146	★★★★☆	428,080	1	Sep 2024	Jul 2025	- -
11 First Liberty Logistics C... 8251 Liberty Rd	★★★★★	425,264	1	Sep 2024	Oct 2025	- First Industrial Realty Trust, Inc.
12 Building 3 8228 Houston Ave	★★★★★	417,360	1	Jun 2024	Nov 2025	Transwestern Development Com... Transwestern Development Com...
13 9255 Ley Rd	★★★★☆	408,240	1	Sep 2024	Mar 2025	Core5 Industrial Partners -
14 Building 2 1823 Haden Rd	★★★★☆	386,001	1	Oct 2024	Sep 2025	Jackson-Shaw Company -
15 Building 4 16751 Blue Ridge Comme...	★★★★★	351,027	1	Aug 2024	Aug 2025	- Trammell Crow Company
16 Baytown 146 1 5814 N Highway 146	★★★★☆	321,440	1	Sep 2024	Sep 2025	- -
17 Maxter Healthcare - Buil... 14559 CR 48	★★★★☆	318,089	1	Dec 2022	Dec 2024	ARCO/MURRAY Maxter Healthcare Inc.
18 Lee Road Industrial Busi... 19737 B Lee Road Rd	★★★★☆	280,000	1	May 2023	Dec 2024	Paradigm Commercial Real Estate GBT Realty Corporation
19 Avangard Innovative 18314 Mathis Rd	★★★★☆	268,000	1	Nov 2022	Dec 2024	Avangard Innovative -
20 Stafford Logistics- Build	★★★★☆	267,800	1	Jan 2024	Dec 2024	Lovett Industrial, LLC Lovett Industrial, LLC
21 Building 2 12320 Lockwood Rd	★★★★☆	267,040	1	Sep 2024	Apr 2025	Transwestern Development Com... Transwestern Real Estate Services
22 Building 1 16850 Blue Ridge Comme...	★★★★★	256,990	1	Aug 2024	Aug 2025	- Trammell Crow Company
23 TruePort Distribution Ce... 2830 E Pasadena Blvd	★★★★☆	254,705	1	Feb 2024	Dec 2024	- -
24 8020 Northcourt Rd	★★★★☆	244,500	1	Sep 2024	Sep 2025	- -
25 Building D 2920 Airport Blvd	★★★★☆	217,143	1	Feb 2024	Dec 2024	- Carson Companies
26 Building 4 8118 Houston Ave	★★★★★	184,320	1	Aug 2024	Nov 2025	- -
27 Building 2 15600 Carpenters Logistic...	★★★★☆	171,373	1	Apr 2024	Dec 2024	Trammell Crow Company -
28 14649 Almeda School Rd	★★★★★	165,120	1	Oct 2024	Mar 2025	Levey Group -

Disclosed industrial sales in Houston tallied nearly \$500 million during the first three quarters of the year, about 35% below the 2015-2019 average. When looking at number of transactions, deal flow has held steady since early 2023, with around 250 buildings trading per quarter and remains roughly 20% below the 2017-2019 quarterly average.

Like all property types, private capital continues to drive the market. Meanwhile, institutional capital and REITs were net sellers during the first three quarters of the year.

Logistics centers have seen the largest fall in pricing and are now about 15% below peak 2022 pricing. Cap rates are now in the range of 5.5% to 6.25% compared to the mid 4% range seen two years ago. Meanwhile, general industrial properties have not seen values fall as steeply, aided by shorter lease terms and the ability to roll rents to market quicker. Values are about 10%—sometimes less—below their peak and cap rates have increased by roughly 100 basis.

Properties 30,000 SF or smaller are now typically trading at a 7.5% to 9% range or higher, depending on construction type, age, and tenant credit. For example, in May, a 23,000-SF property in Willis sold at a 9% cap rate. The 2006-built warehouse was 100% leased at the time of sale.

Properties of this size or smaller have accounted for 80% of all transactions in a given year. This percentage was slightly up over the past 12 months—85%—as private capital, which is typically behind these types of

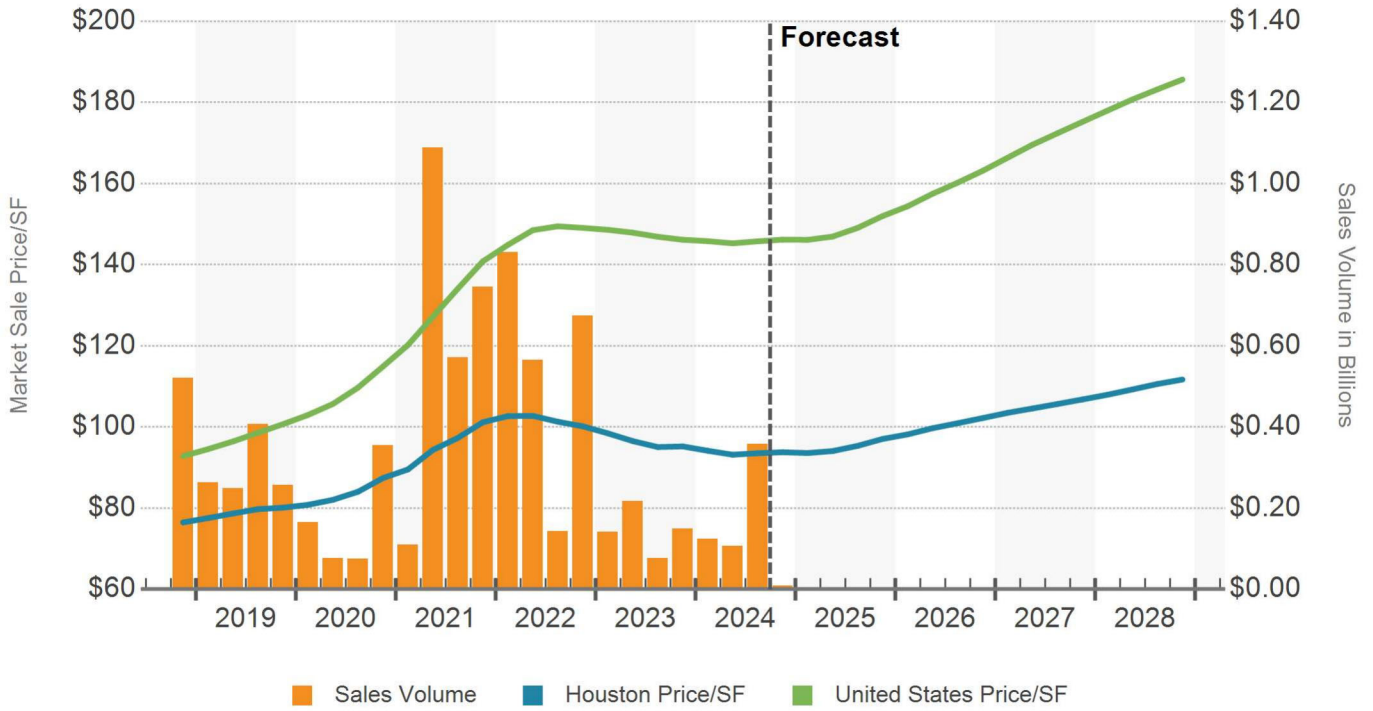
investments, has gained market share. Like the office sector, owner-user sales have been on the rise this past year as many take advantage of pricing discounts to purchase their real estate. For example, in June, Mustang Tractor & Equipment bought a 50,000-SF warehouse in Channelview for \$5.8 million, or \$115/SF. The 1961-built property was vacant at the time of sale and sold at a 7% discount to the original asking price.

Despite the construction boom, there have been relatively few sales of new properties. Many investors are looking for well-leased properties with below-market rents and leases expiring in the next few years. For example, in February, ICO Commercial purchased the Southwest Techniplex, consisting of five properties totaling 433,000 SF for \$50.5 million, or \$117/SF, from Clarion Partners. Many of the leases have below average rents and are set to expire within the near term providing an opportunity to take rents to market.

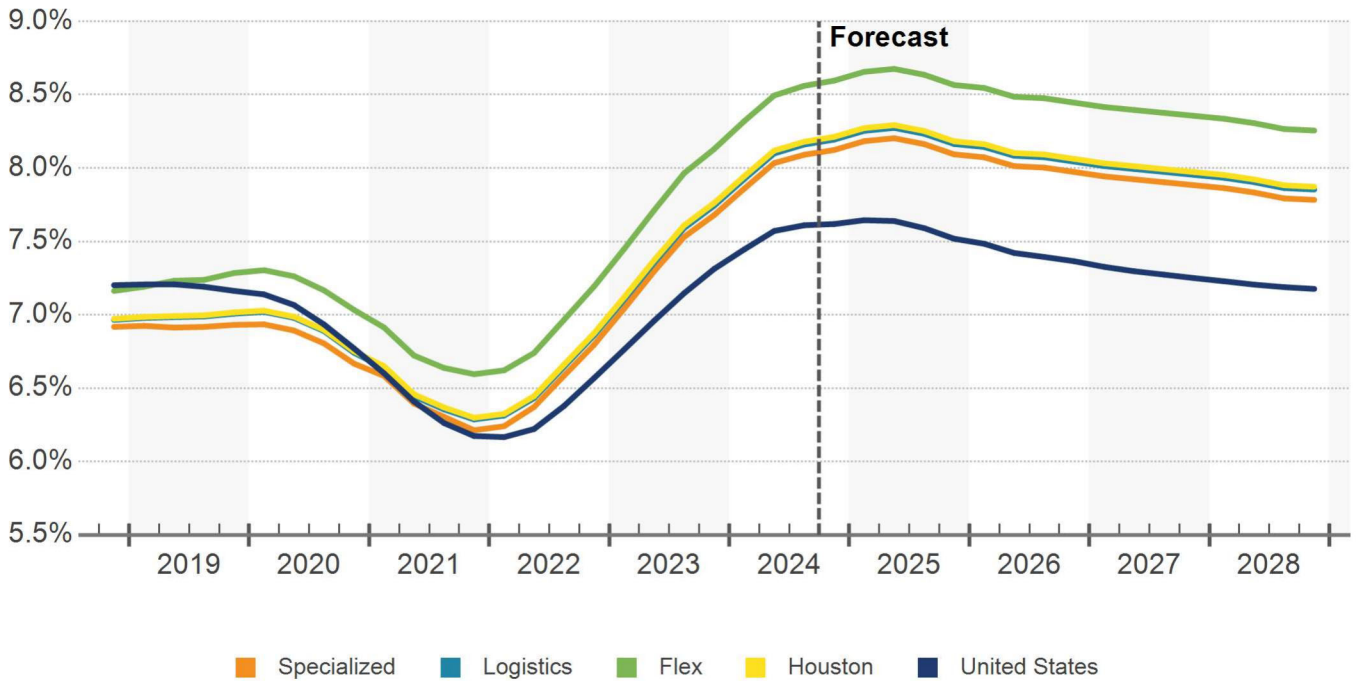
Sales volume in Houston is likely to remain below historic norms once again this year, due to a still tight lending environment and a weak short-term outlook for rent growth. Transaction activity could begin to reaccelerate next year. There are nearly \$200 million in industrial loans maturing in 2025, and current owners of these properties may be unable to refinance in today's elevated interest rate environment, prompting some to bring assets to market.

The mid-term outlook is brighter. With new supply set to notably decline after 2024, there is a potential for rent growth to reaccelerate, which could prove attractive to investors, especially if financing costs come down.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Houston Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

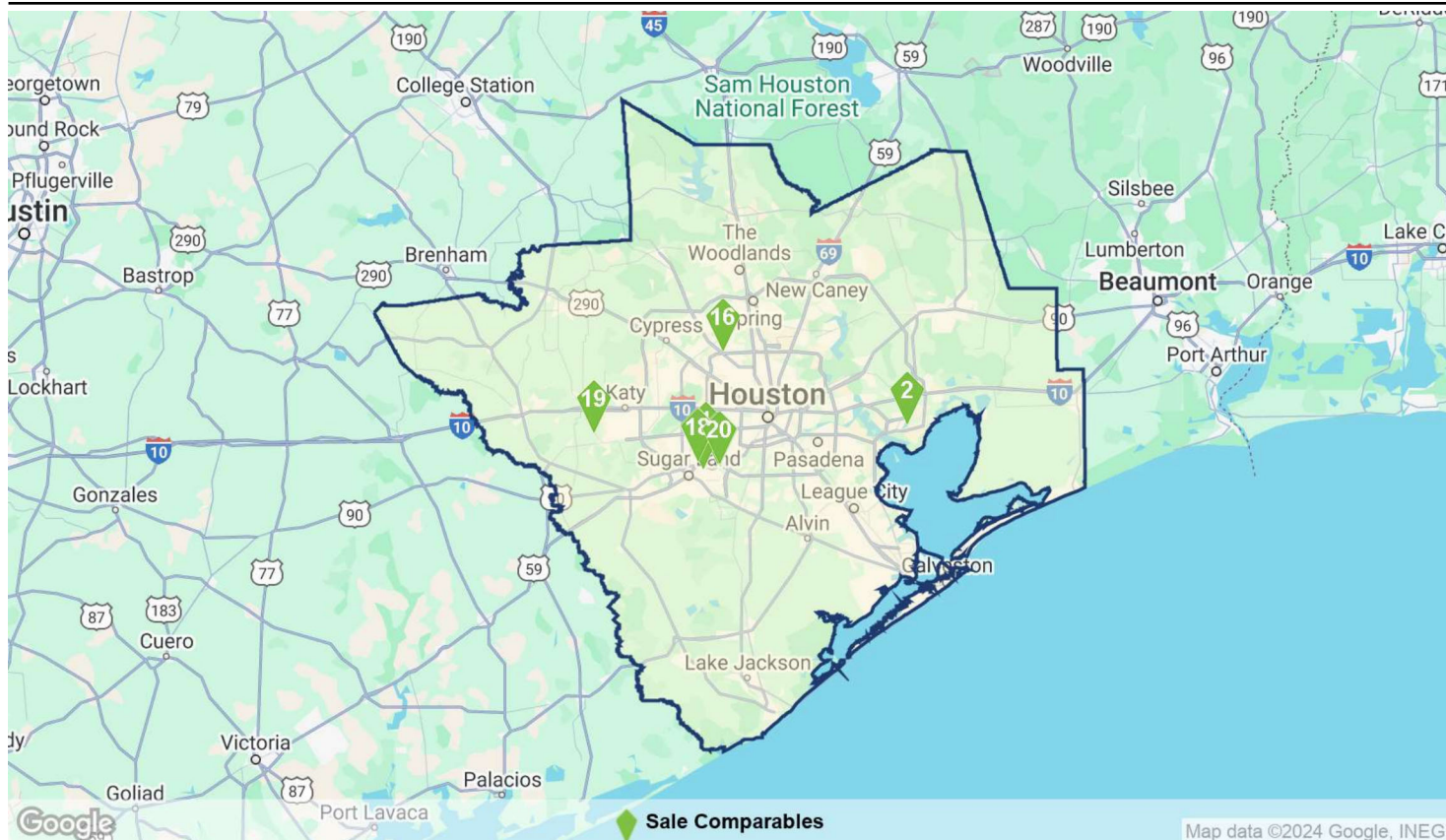
1,180

7.4%

\$113

9.6%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$73,708	\$3,774,776	\$1,400,000	\$61,507,282
Price/SF	\$19	\$113	\$133	\$703
Cap Rate	5.4%	7.4%	7.2%	9.0%
Time Since Sale in Months	0.0	5.1	4.7	12.0
Property Attributes	Low	Average	Median	High
Building SF	816	31,583	10,500	834,400
Ceiling Height	10'	21'	20'	50'
Docks	0	5	0	200
Vacancy Rate At Sale	0%	9.6%	0%	100%
Year Built	1900	1993	1994	2025
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 Men's Warehouse 10485 W Belfort Dr	★★★★★	2001	834,400	0%	12/5/2023	\$61,507,282	\$74	7.3%
2 Home Depot 6115 FM 1405 Rd	★★★★★	2001	755,000	0%	9/24/2024	\$58,000,000	\$77	-
3 Building 11 611 Highway 90 A	★★★★★	2021	440,014	0%	7/11/2024	\$53,721,132	\$122	-
4 Building 9 631 Buffalo Lakes Dr	★★★★★	2019	352,769	0%	7/11/2024	\$41,626,842	\$118	-
5 Building 3 521 Highway 90 A	★★★★★	2016	315,715	0%	7/11/2024	\$35,349,984	\$112	-
6 Building 12 702 S Cravens	★★★★★	2021	177,474	0%	7/11/2024	\$18,483,557	\$104	-
7 Building 10 620 Buffalo Lakes Dr	★★★★★	2022	100,000	0%	7/11/2024	\$16,207,815	\$162	-
8 SW Tech B 4755 Alpine Rd	★★★★★	1998	127,985	0%	2/23/2024	\$13,956,751	\$109	-
9 SW Tech D 4655 Wright Rd	★★★★★	2000	120,752	0%	2/23/2024	\$13,244,595	\$110	-
10 Building 4 8921 S Sam Houston Pky W	★★★★★	2019	73,579	0%	7/11/2024	\$12,655,442	\$172	-
11 Building 6 8821 S Sam Houston Pky W	★★★★★	2019	76,470	0%	7/11/2024	\$11,633,107	\$152	-
12 Building 5 8911 S Sam Houston Pky W	★★★★★	2019	73,579	0%	7/11/2024	\$11,110,911	\$151	-
13 12701 Directors Dr	★★★★★	1994	81,933	100%	4/1/2024	\$11,100,000	\$135	-
14 Building 2 9011 S Sam Houston Pky W	★★★★★	2016	68,800	0%	7/11/2024	\$9,759,607	\$142	-
15 Building 13 631 Highway 90 A	★★★★★	2021	56,700	0%	7/11/2024	\$9,584,053	\$169	-
16 5425 N Sam Houston Pk...	★★★★★	2005	70,000	0%	2/9/2024	\$9,000,000	\$129	-
17 707-709 Avenue E	★★★★★	2001	78,608	0%	4/30/2024	\$8,500,000	\$108	-
18 SW Tech A 4855 Alpine Rd	★★★★★	1997	67,796	0%	2/23/2024	\$8,397,336	\$124	-
19 Building 1 6510 FM 359 Rd	★★★★★	2021	38,293	0%	4/2/2024	\$8,318,644	\$217	-
20 Building 1 9021 S Sam Houston Pky W	★★★★★	2016	55,211	0%	7/11/2024	\$8,262,948	\$150	-



Houston continues to be one of the nation's better-performing markets for employment growth, adding more than 75,000 jobs in the trailing 12-month period through September 2024. The labor market now has almost 270,000 more jobs than before the pandemic, among the highest gains in the nation.

Last year, Houston added more than 100,000 new jobs for the third consecutive year. For context, excluding boom and bust years, Houston has created around 65,000 new jobs annually and should the pace of growth continue to slow, could fall short of that amount this year. Still, job growth is slowing and total new payrolls this year could be in the 70,000 mark.

The Houston metropolitan area has a population of about 7.6 million making it the fifth-largest in the U.S. Its young population, affordability, warm climate, low taxes, generally pro-business environment, diversity, and culture continue to attract new residents. Median household income sits at around \$79,000/year. For comparison, the national median income is \$78,000/year. The region's population has grown 16.8% over the past decade, compared to the national benchmark of 5.4%.

Houston took the longest to recover from the pandemic-induced job losses, compared to its fellow Texas Triangle peers (DFW, Austin, and San Antonio). Oil remains a

significant part of Houston's economy, but the Bayou City continues to diversify its economy and foster other sectors such as healthcare, biomedical research, and aerospace. Houston is home to the world's largest medical center. The TMC3 project currently under construction is the linchpin in the Texas Medical Center's plan to establish Texas as the "Third Coast" for commercial life sciences and biotechnology research to compete directly with Cambridge, Massachusetts, and Mission Bay in San Francisco. TMC3 is expected to create 26,000 jobs and generate \$5.2 billion in economic benefits in Houston. In addition, there are several million SF of new life science-oriented mixed-use projects either under construction or planned along a 2-mile stretch of Holcombe Boulevard in the Texas Medical Center.

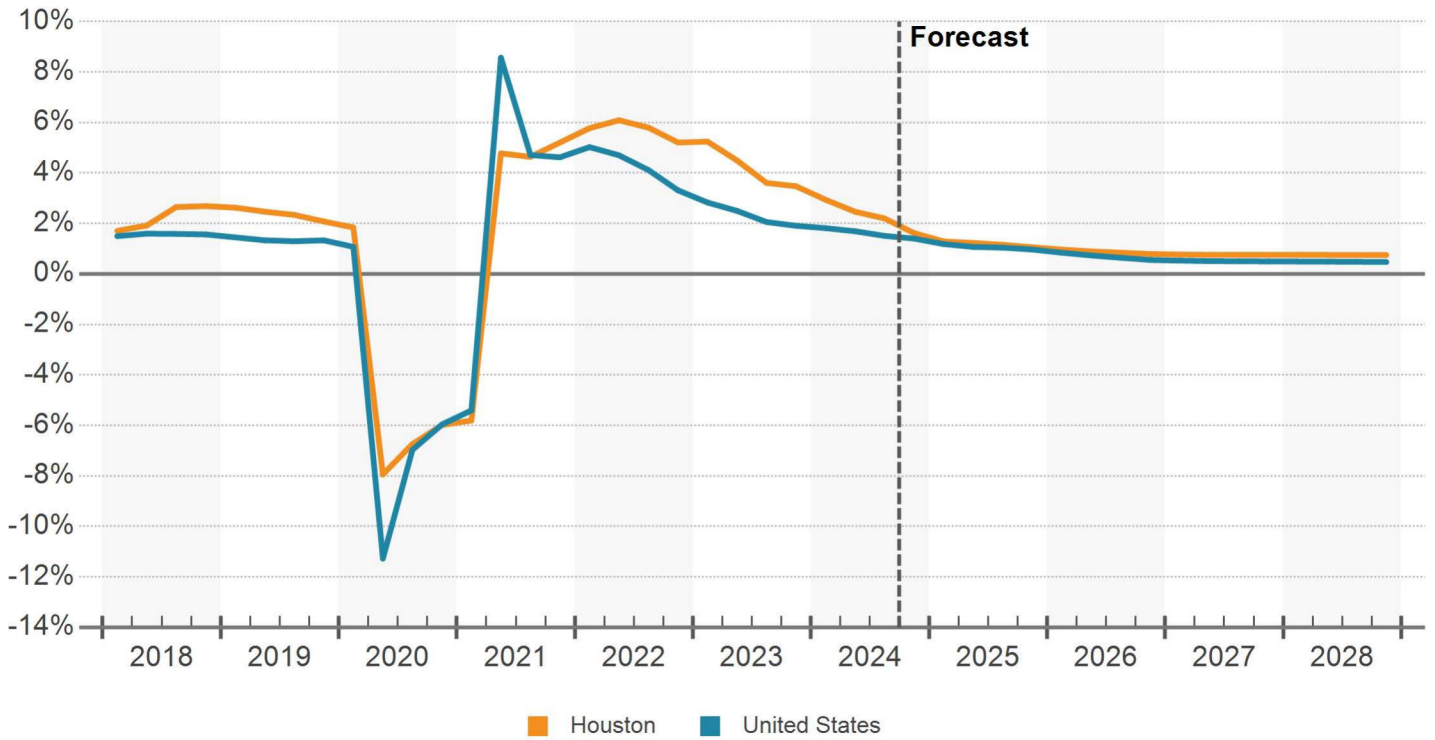
Houston boasts a relatively low cost of living and high disposable income compared with other large metros. While not widely considered a tourist destination per se, Houston is the fifth-largest metro in the U.S., and it benefits from its proximity to Mexico and other Latin American countries as a major gateway city. For instance, Houston offers more flights to Mexico than any other U.S. metro. Furthermore, due to the Texas Medical Center, it receives a significant volume of medical tourism, welcoming scores of patients and their families every year from every corner of the globe.

HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	239	0.8	1.44%	0.01%	-0.74%	0.56%	0.21%	0.36%
Trade, Transportation and Utilities	694	1.1	0.77%	0.73%	1.49%	0.97%	0.63%	0.33%
Retail Trade	321	0.9	0.04%	0.42%	0.87%	0.18%	0.50%	0.23%
Financial Activities	194	1.0	1.76%	0.42%	2.62%	1.46%	0.62%	0.42%
Government	456	0.9	2.74%	1.98%	1.90%	0.65%	0.91%	0.52%
Natural Resources, Mining and Construction	315	1.6	2.87%	2.45%	-0.14%	2.26%	0.53%	0.91%
Education and Health Services	471	0.8	4.13%	3.53%	2.94%	2.09%	1.22%	0.85%
Professional and Business Services	574	1.1	1.28%	0.56%	1.92%	1.76%	0.89%	0.62%
Information	34	0.5	0.98%	-0.22%	0.70%	0.93%	0.31%	0.57%
Leisure and Hospitality	363	1.0	0.54%	1.65%	2.32%	1.41%	1.31%	0.95%
Other Services	130	1.0	3.88%	1.15%	1.87%	0.59%	0.95%	0.55%
Total Employment	3,470	1.0	1.94%	1.46%	1.61%	1.31%	0.83%	0.61%

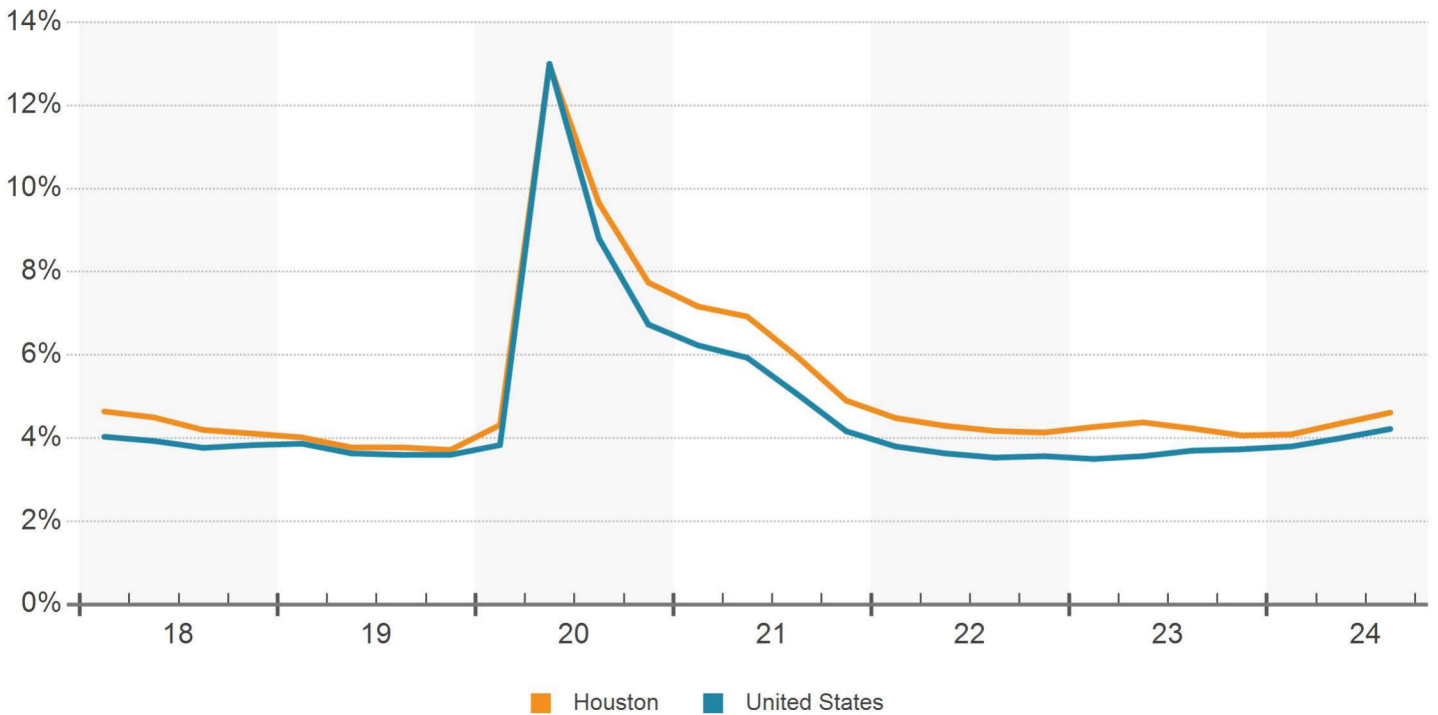
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

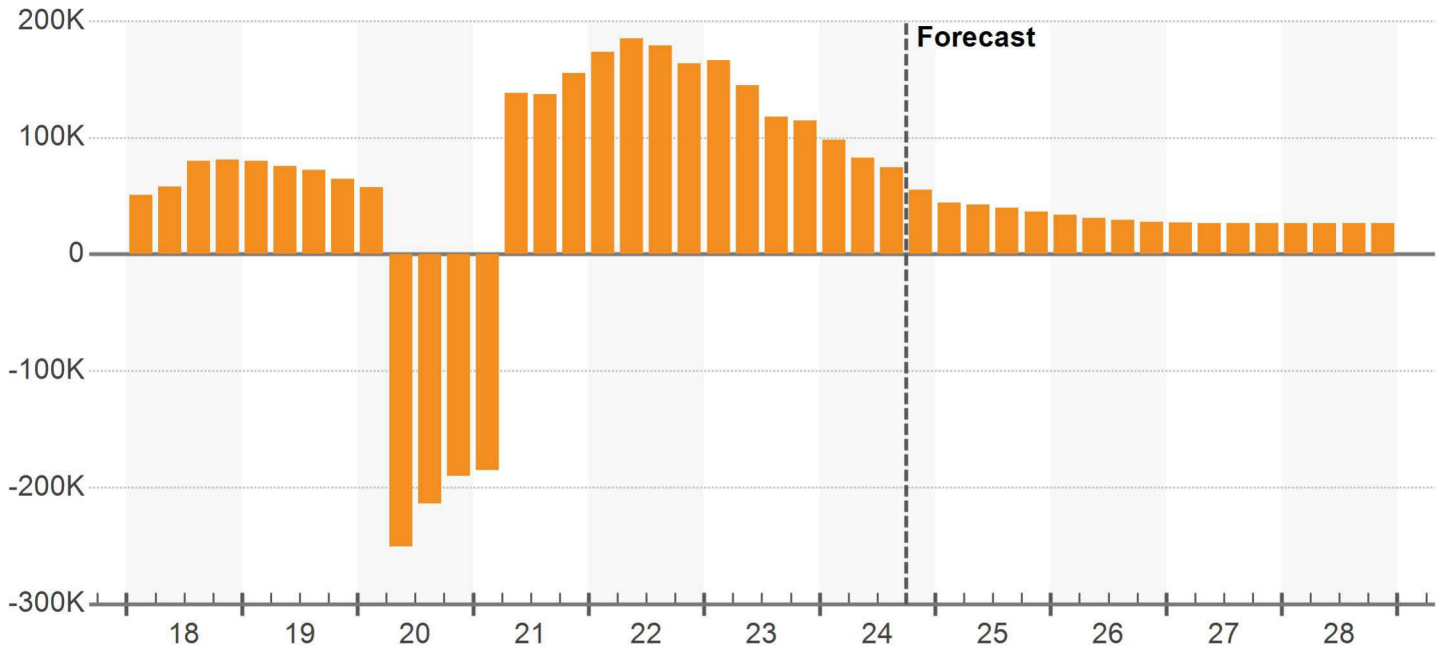


Source: Oxford Economics

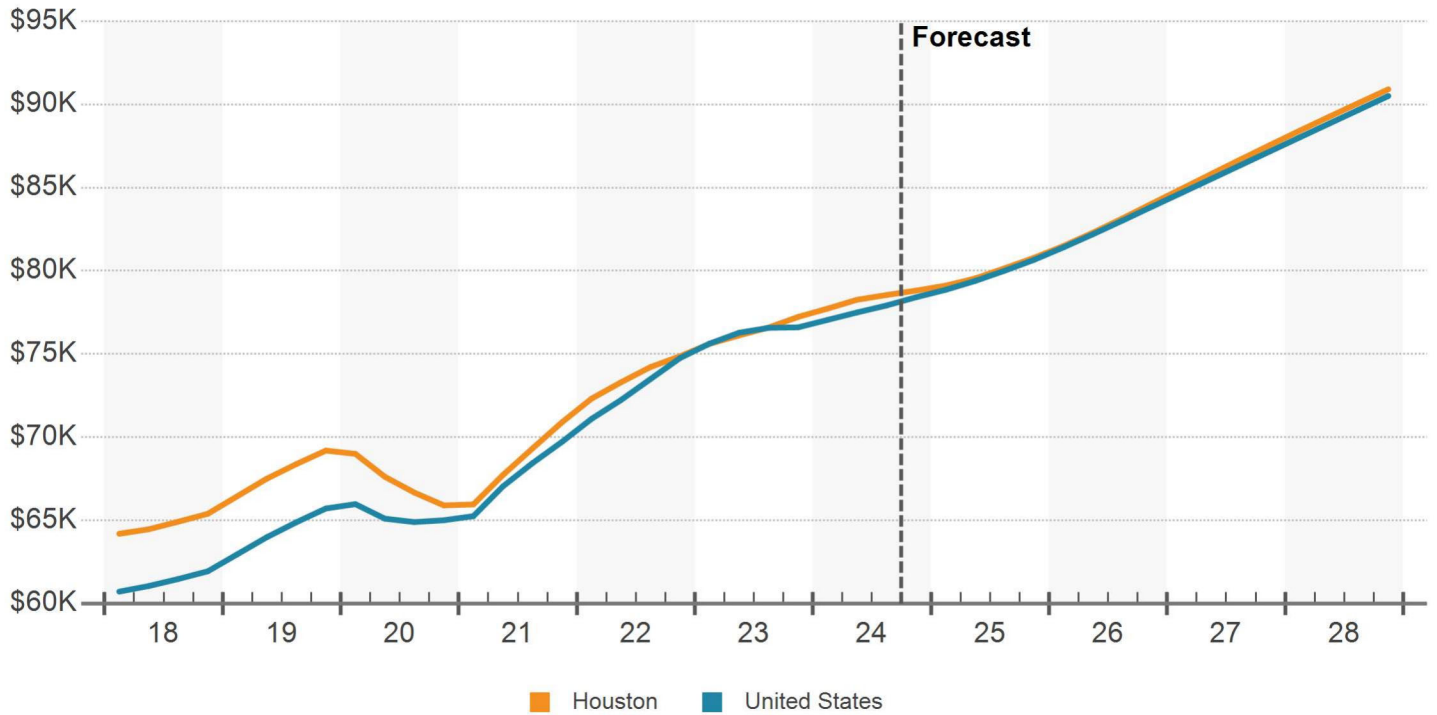
UNEMPLOYMENT RATE (%)



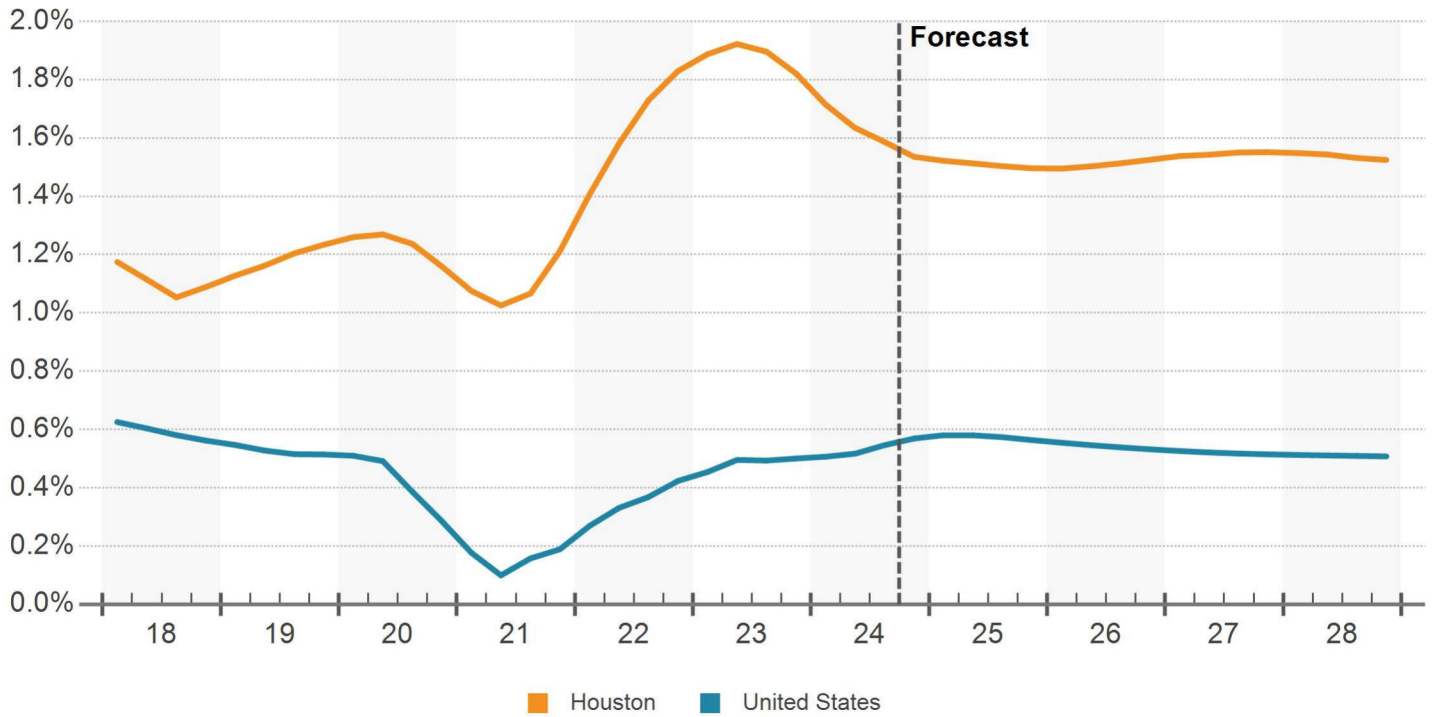
NET EMPLOYMENT CHANGE (YOY)



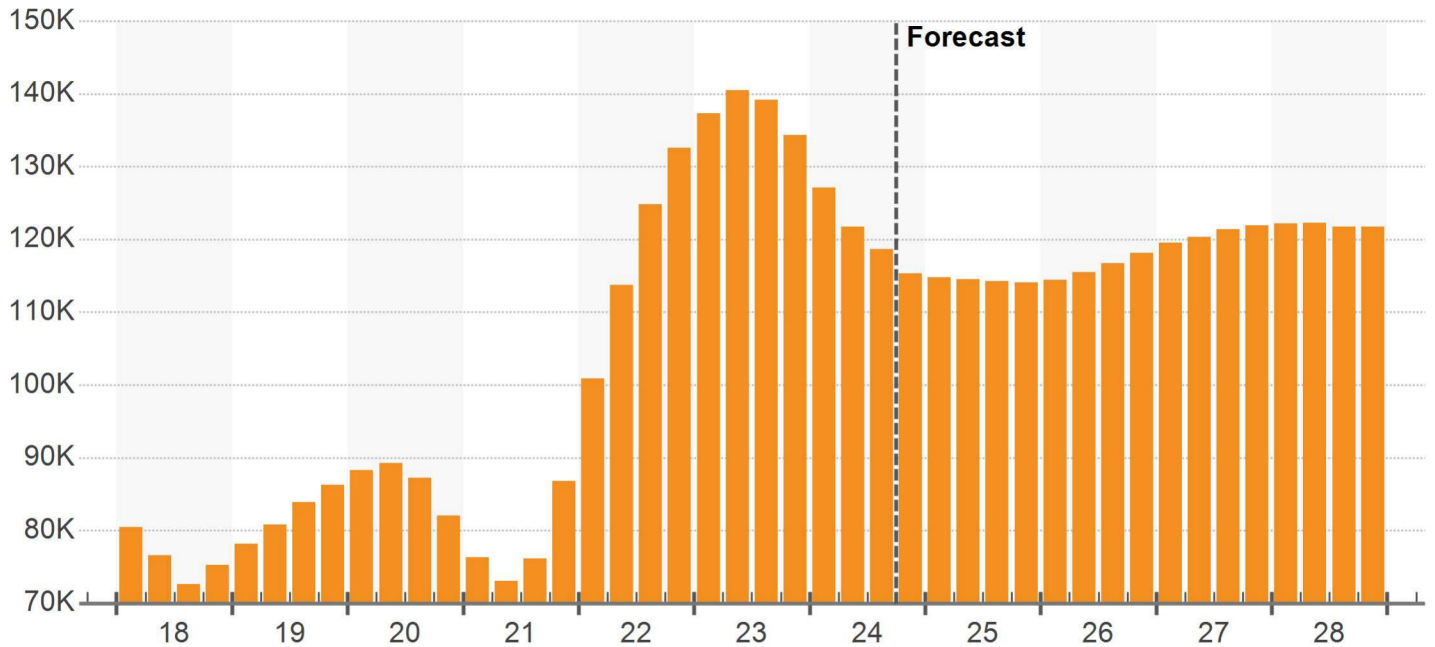
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

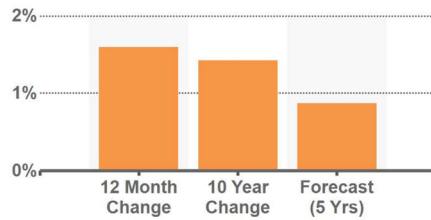
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	7,612,384	336,958,094	1.6%	0.6%	1.6%	0.5%	1.5%	0.5%
Households	2,786,224	132,344,266	1.7%	0.7%	2.1%	1.0%	1.6%	0.6%
Median Household Income	\$78,661	\$78,132	2.3%	2.0%	2.8%	3.9%	3.6%	3.6%
Labor Force	3,706,477	168,666,109	1.6%	0.6%	1.4%	0.8%	0.9%	0.4%
Unemployment	4.6%	4.2%	0.5%	0.5%	0%	-0.2%	-	-

Source: Oxford Economics

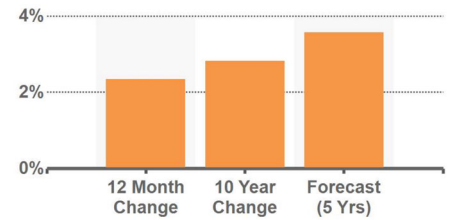
POPULATION GROWTH



LABOR FORCE GROWTH



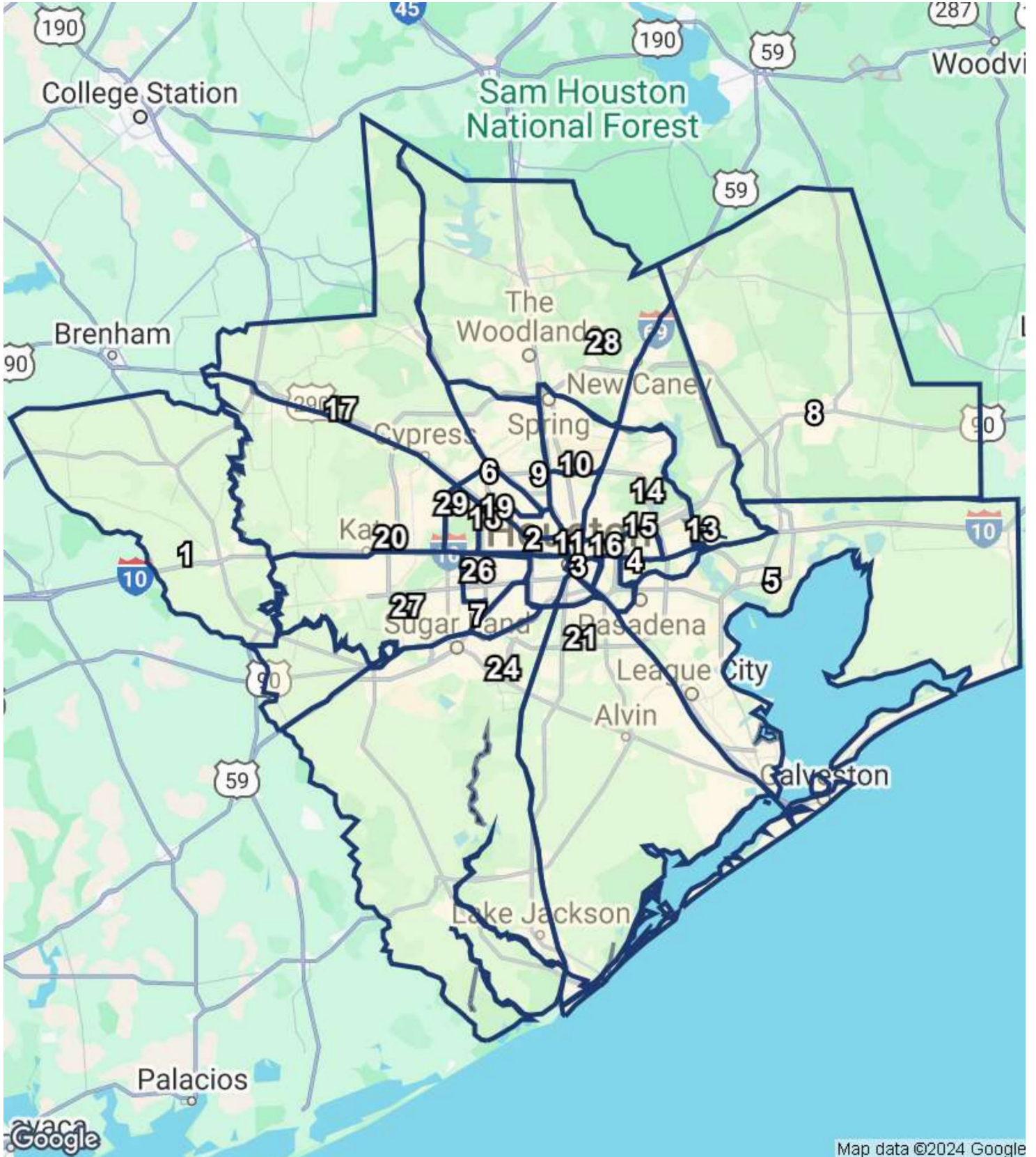
INCOME GROWTH



Source: Oxford Economics

Submarkets

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	56	2,396	0.3%	29	0	0	0%	-	0	-	-	-
2	CBD-NW Inner Loop	501	11,826	1.4%	23	0	0	0%	-	0	-	-	-
3	Downtown Houston	904	31,815	3.8%	12	0	0	0%	-	0	-	-	-
4	East I-10 Outer Loop	288	16,268	1.9%	19	0	0	0%	-	6	1,754	10.8%	3
5	East-Southeast Far	2,835	116,538	14.0%	1	37	5,668	4.9%	1	16	2,073	1.8%	1
6	Hwy 290/Tomball Pky	844	35,412	4.2%	8	2	6	0%	16	3	662	1.9%	11
7	Hwy 59/Hwy 90 (Alt)	1,133	30,885	3.7%	13	8	377	1.2%	13	3	821	2.7%	8
8	Liberty County	119	2,494	0.3%	28	0	0	0%	-	0	-	-	-
9	North Fwy/Tomball Pky	1,597	44,785	5.4%	6	49	1,379	3.1%	6	82	1,563	3.5%	5
10	North Hardy Toll Road	1,016	50,124	6.0%	4	23	1,826	3.6%	5	10	672	1.3%	10
11	North Inner Loop	208	5,522	0.7%	26	0	0	0%	-	0	-	-	-
12	North Outer Loop	1,239	30,633	3.7%	14	2	206	0.7%	14	0	-	-	-
13	Northeast Hwy 321	180	3,128	0.4%	27	1	6	0.2%	18	0	-	-	-
14	Northeast Hwy 90	837	33,779	4.0%	10	31	3,267	9.7%	2	8	1,736	5.1%	4
15	Northeast I-10	212	7,558	0.9%	24	3	398	5.3%	12	0	-	-	-
16	Northeast Inner Loop	203	13,467	1.6%	21	0	0	0%	-	0	-	-	-
17	Northwest Hwy 6	859	23,709	2.8%	16	36	439	1.9%	11	13	124	0.5%	16
18	Northwest Inner Loop	1,864	63,942	7.7%	2	1	6	0%	17	3	153	0.2%	15
19	Northwest Near	857	20,962	2.5%	17	0	0	0%	-	1	245	1.2%	13
20	Northwest Outliers	993	44,994	5.4%	5	41	594	1.3%	10	13	1,272	2.8%	7
21	South Hwy 35	2,119	52,073	6.2%	3	18	3,058	5.9%	3	28	1,882	3.6%	2
22	South Inner Loop	448	12,943	1.6%	22	1	100	0.8%	15	1	12	0.1%	17
23	Southeast Outer Loop	474	20,291	2.4%	18	0	0	0%	-	0	-	-	-
24	Southwest Far	812	27,188	3.3%	15	17	1,922	7.1%	4	9	1,440	5.3%	6
25	Southwest Inner Loop	420	6,628	0.8%	25	0	0	0%	-	0	-	-	-
26	Southwest Outer Loop	713	15,246	1.8%	20	0	0	0%	-	0	-	-	-
27	Sugar Land	701	41,340	5.0%	7	15	1,082	2.6%	7	3	153	0.4%	14
28	The Woodlands/Conroe	1,693	35,180	4.2%	9	38	1,042	3.0%	8	21	323	0.9%	12
29	West Outer Loop	964	33,614	4.0%	11	10	826	2.5%	9	8	726	2.2%	9

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Austin County	\$7.58	23	2.3%	6	3.6%	2
2	CBD-NW Inner Loop	\$9.97	8	2.4%	3	0.4%	15
3	Downtown Houston	\$6.81	26	2.4%	4	0.4%	13
4	East I-10 Outer Loop	\$7.37	25	1.9%	19	2.1%	5
5	East-Southeast Far	\$8.97	13	1.8%	27	0%	22
6	Hwy 290/Tomball Pky	\$8.96	14	1.8%	26	-0.7%	27
7	Hwy 59/Hwy 90 (Alt)	\$9.33	11	2.0%	14	-0.2%	23
8	Liberty County	\$8.74	17	2.0%	12	1.1%	10
9	North Fwy/Tomball Pky	\$9.99	7	2.0%	13	-0.8%	28
10	North Hardy Toll Road	\$8.91	15	1.6%	28	-0.7%	26
11	North Inner Loop	\$6.67	28	1.6%	29	-1.3%	29
12	North Outer Loop	\$8.53	20	1.9%	22	0.2%	18
13	Northeast Hwy 321	\$11.40	3	2.4%	5	2.3%	4
14	Northeast Hwy 90	\$8.67	18	1.9%	17	1.8%	6
15	Northeast I-10	\$8.12	22	1.9%	16	-0.2%	24
16	Northeast Inner Loop	\$6.39	29	1.9%	23	1.2%	8
17	Northwest Hwy 6	\$11.55	2	2.2%	9	2.6%	3
18	Northwest Inner Loop	\$8.77	16	1.9%	20	0%	20
19	Northwest Near	\$8.53	21	1.9%	15	-0.4%	25
20	Northwest Outliers	\$10.17	6	1.9%	21	0.3%	17
21	South Hwy 35	\$8.60	19	2.1%	11	1.0%	11
22	South Inner Loop	\$7.56	24	2.1%	10	0.8%	12
23	Southeast Outer Loop	\$6.68	27	1.8%	25	1.3%	7
24	Southwest Far	\$9.36	10	2.2%	8	0.1%	19
25	Southwest Inner Loop	\$11.02	5	2.2%	7	0%	21
26	Southwest Outer Loop	\$11.66	1	3.6%	1	4.1%	1
27	Sugar Land	\$9.73	9	1.9%	18	0.4%	14
28	The Woodlands/Conroe	\$11.38	4	2.4%	2	1.1%	9
29	West Outer Loop	\$9.25	12	1.8%	24	0.3%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Austin County	196,900	8.2%	23	(1,127)	0%	19	-
2	CBD-NW Inner Loop	491,445	4.2%	10	(238,985)	-2.0%	28	-
3	Downtown Houston	2,723,210	8.6%	25	(141,215)	-0.4%	25	-
4	East I-10 Outer Loop	143,546	0.9%	1	32,686	0.2%	15	-
5	East-Southeast Far	11,537,580	9.9%	27	3,372,215	2.9%	2	1.6
6	Hwy 290/Tomball Pky	2,500,529	7.1%	20	848,642	2.4%	9	-
7	Hwy 59/Hwy 90 (Alt)	1,336,232	4.3%	11	260,491	0.8%	12	1.4
8	Liberty County	123,557	5.0%	12	11,116	0.4%	18	-
9	North Fwy/Tomball Pky	3,756,258	8.4%	24	630,314	1.4%	11	1.7
10	North Hardy Toll Road	2,701,187	5.4%	15	3,662,756	7.3%	1	0.3
11	North Inner Loop	226,203	4.1%	9	12,260	0.2%	17	-
12	North Outer Loop	1,720,564	5.6%	16	189,530	0.6%	13	1.1
13	Northeast Hwy 321	79,211	2.5%	2	(3,702)	-0.1%	20	-
14	Northeast Hwy 90	4,004,338	11.9%	29	930,910	2.8%	8	2.6
15	Northeast I-10	567,098	7.5%	21	660,145	8.7%	10	0
16	Northeast Inner Loop	391,603	2.9%	4	(199,444)	-1.5%	27	-
17	Northwest Hwy 6	2,106,946	8.9%	26	1,540,240	6.5%	6	0.2
18	Northwest Inner Loop	3,846,683	6.0%	18	(518,615)	-0.8%	29	-
19	Northwest Near	853,193	4.1%	8	175,325	0.8%	14	-
20	Northwest Outliers	2,338,121	5.2%	13	(190,198)	-0.4%	26	-
21	South Hwy 35	3,579,661	6.9%	19	1,959,984	3.8%	4	1.4
22	South Inner Loop	341,907	2.6%	3	(19,397)	-0.1%	21	-
23	Southeast Outer Loop	665,332	3.3%	5	18,743	0.1%	16	-
24	Southwest Far	2,052,816	7.6%	22	1,687,996	6.2%	5	1.0
25	Southwest Inner Loop	259,324	3.9%	7	(23,292)	-0.4%	22	-
26	Southwest Outer Loop	802,677	5.3%	14	(116,100)	-0.8%	24	-
27	Sugar Land	4,708,034	11.4%	28	2,115,953	5.1%	3	0.4
28	The Woodlands/Conroe	1,371,401	3.9%	6	1,275,323	3.6%	7	0.2
29	West Outer Loop	2,009,078	6.0%	17	(99,337)	-0.3%	23	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	898,105,234	15,605,462	1.8%	15,163,083	1.7%	1.0
2027	882,499,772	15,795,238	1.8%	15,493,944	1.8%	1.0
2026	866,704,534	14,660,552	1.7%	14,938,911	1.7%	1.0
2025	852,043,982	14,780,300	1.8%	14,050,314	1.6%	1.1
2024	837,263,682	20,478,161	2.5%	17,739,615	2.1%	1.2
YTD	834,617,287	17,831,766	2.2%	15,222,848	1.8%	1.2
2023	816,785,521	36,598,825	4.7%	20,936,145	2.6%	1.7
2022	780,186,696	24,918,558	3.3%	31,620,792	4.1%	0.8
2021	755,268,138	25,070,317	3.4%	35,573,253	4.7%	0.7
2020	730,197,821	31,689,541	4.5%	16,809,141	2.3%	1.9
2019	698,508,280	18,799,118	2.8%	11,515,225	1.6%	1.6
2018	679,709,162	17,006,706	2.6%	13,167,160	1.9%	1.3
2017	662,702,456	10,556,628	1.6%	11,470,477	1.7%	0.9
2016	652,145,828	15,542,028	2.4%	12,204,794	1.9%	1.3
2015	636,603,800	15,408,002	2.5%	13,118,729	2.1%	1.2
2014	621,195,798	12,366,295	2.0%	15,129,910	2.4%	0.8
2013	608,829,503	11,187,492	1.9%	8,302,276	1.4%	1.3
2012	597,642,011	3,939,778	0.7%	7,296,144	1.2%	0.5

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	130,007,353	331,480	0.3%	448,247	0.3%	0.7
2027	129,675,873	342,108	0.3%	(12,338)	0%	-
2026	129,333,765	371,938	0.3%	(317,413)	-0.2%	-
2025	128,961,827	(2,775)	0%	(418,330)	-0.3%	-
2024	128,964,602	880,132	0.7%	615,791	0.5%	1.4
YTD	128,646,513	562,043	0.4%	579,983	0.5%	1.0
2023	128,084,470	524,087	0.4%	804,377	0.6%	0.7
2022	127,560,383	2,519,375	2.0%	3,134,167	2.5%	0.8
2021	125,041,008	1,047,132	0.8%	1,447,296	1.2%	0.7
2020	123,993,876	2,788,193	2.3%	1,692,723	1.4%	1.6
2019	121,205,683	1,542,379	1.3%	1,568,970	1.3%	1.0
2018	119,663,304	1,186,356	1.0%	1,279,253	1.1%	0.9
2017	118,476,948	469,788	0.4%	756,819	0.6%	0.6
2016	118,007,160	5,628,049	5.0%	5,558,218	4.7%	1.0
2015	112,379,111	807,541	0.7%	1,063,551	0.9%	0.8
2014	111,571,570	663,737	0.6%	1,155,818	1.0%	0.6
2013	110,907,833	2,015,235	1.9%	582,611	0.5%	3.5
2012	108,892,598	(629,661)	-0.6%	(225,418)	-0.2%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	704,302,938	14,838,048	2.2%	14,364,853	2.0%	1.0
2027	689,464,890	15,009,809	2.2%	15,325,580	2.2%	1.0
2026	674,455,081	13,885,038	2.1%	15,255,940	2.3%	0.9
2025	660,570,043	14,329,788	2.2%	14,441,025	2.2%	1.0
2024	646,240,255	19,240,532	3.1%	16,759,423	2.6%	1.1
YTD	643,911,949	16,912,226	2.7%	14,318,171	2.2%	1.2
2023	626,999,723	34,666,489	5.9%	18,587,782	3.0%	1.9
2022	592,333,234	22,220,089	3.9%	27,987,601	4.7%	0.8
2021	570,113,145	23,372,804	4.3%	34,035,388	6.0%	0.7
2020	546,740,341	28,407,254	5.5%	14,895,684	2.7%	1.9
2019	518,333,087	16,967,307	3.4%	10,208,001	2.0%	1.7
2018	501,365,780	15,624,067	3.2%	11,719,356	2.3%	1.3
2017	485,741,713	9,441,122	2.0%	10,619,005	2.2%	0.9
2016	476,300,591	9,293,985	2.0%	6,368,008	1.3%	1.5
2015	467,006,606	14,097,615	3.1%	11,472,713	2.5%	1.2
2014	452,908,991	10,710,548	2.4%	12,514,009	2.8%	0.9
2013	442,198,443	8,113,552	1.9%	6,056,829	1.4%	1.3
2012	434,084,891	4,169,710	1.0%	6,857,017	1.6%	0.6

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	63,794,943	435,934	0.7%	349,983	0.5%	1.2
2027	63,359,009	443,321	0.7%	180,702	0.3%	2.5
2026	62,915,688	403,576	0.6%	384	0%	1,051.0
2025	62,512,112	453,287	0.7%	27,619	0%	16.4
2024	62,058,825	357,497	0.6%	364,401	0.6%	1.0
YTD	62,058,825	357,497	0.6%	324,694	0.5%	1.1
2023	61,701,328	1,408,249	2.3%	1,543,986	2.5%	0.9
2022	60,293,079	179,094	0.3%	499,024	0.8%	0.4
2021	60,113,985	650,381	1.1%	90,569	0.2%	7.2
2020	59,463,604	494,094	0.8%	220,734	0.4%	2.2
2019	58,969,510	289,432	0.5%	(261,746)	-0.4%	-
2018	58,680,078	196,283	0.3%	168,551	0.3%	1.2
2017	58,483,795	645,718	1.1%	94,653	0.2%	6.8
2016	57,838,077	619,994	1.1%	278,568	0.5%	2.2
2015	57,218,083	502,846	0.9%	582,465	1.0%	0.9
2014	56,715,237	992,010	1.8%	1,460,083	2.6%	0.7
2013	55,723,227	1,058,705	1.9%	1,662,836	3.0%	0.6
2012	54,664,522	399,729	0.7%	664,545	1.2%	0.6

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$10.34	169	3.1%	15.3%	58,870,429	6.6%	-0.1%
2027	\$10.03	164	3.2%	11.9%	58,394,117	6.6%	-0.1%
2026	\$9.72	159	3.4%	8.4%	58,059,509	6.7%	-0.1%
2025	\$9.40	154	3.2%	4.8%	58,305,512	6.8%	0%
2024	\$9.11	149	1.6%	1.6%	57,548,445	6.9%	0.2%
YTD	\$9.08	149	2.0%	1.3%	57,407,772	6.9%	0.2%
2023	\$8.97	147	4.7%	0%	54,829,509	6.7%	1.7%
2022	\$8.56	140	4.5%	-4.5%	39,197,821	5.0%	-1.1%
2021	\$8.19	134	4.5%	-8.6%	46,014,788	6.1%	-1.7%
2020	\$7.84	128	2.4%	-12.6%	56,616,497	7.8%	1.7%
2019	\$7.65	125	2.8%	-14.6%	42,019,135	6.0%	0.9%
2018	\$7.45	122	2.8%	-16.9%	34,989,766	5.1%	0.2%
2017	\$7.24	119	3.3%	-19.2%	32,832,455	5.0%	-0.2%
2016	\$7.01	115	0.9%	-21.8%	33,914,022	5.2%	0.3%
2015	\$6.95	114	3.9%	-22.5%	31,077,683	4.9%	0.2%
2014	\$6.69	109	3.4%	-25.4%	29,179,835	4.7%	-0.6%
2013	\$6.47	106	2.6%	-27.8%	31,959,080	5.2%	0.4%
2012	\$6.31	103	2.3%	-29.7%	29,084,291	4.9%	-0.6%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$11.85	184	3.3%	18.6%	4,681,548	3.6%	-0.1%
2027	\$11.47	178	3.4%	14.9%	4,793,838	3.7%	0.3%
2026	\$11.09	172	3.7%	11.1%	4,435,007	3.4%	0.5%
2025	\$10.69	166	3.5%	7.1%	3,741,210	2.9%	0.3%
2024	\$10.33	161	3.5%	3.5%	3,321,801	2.6%	0.2%
YTD	\$10.26	160	2.7%	2.7%	3,037,823	2.4%	0%
2023	\$9.98	155	2.8%	0%	3,055,763	2.4%	-0.2%
2022	\$9.71	151	3.2%	-2.8%	3,336,053	2.6%	-0.5%
2021	\$9.41	146	5.2%	-5.7%	3,950,845	3.2%	-0.3%
2020	\$8.94	139	2.7%	-10.4%	4,351,009	3.5%	0.8%
2019	\$8.71	135	3.7%	-12.8%	3,255,539	2.7%	-0.1%
2018	\$8.39	131	5.1%	-15.9%	3,300,070	2.8%	-0.1%
2017	\$7.99	124	5.8%	-20.0%	3,392,967	2.9%	-0.3%
2016	\$7.55	117	0.7%	-24.3%	3,679,998	3.1%	-0.1%
2015	\$7.51	117	6.5%	-24.8%	3,610,167	3.2%	-0.3%
2014	\$7.05	110	4.5%	-29.4%	3,866,177	3.5%	-0.5%
2013	\$6.74	105	2.5%	-32.4%	4,358,258	3.9%	1.2%
2012	\$6.58	102	1.8%	-34.1%	2,925,634	2.7%	-0.4%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$9.62	167	3.1%	14.2%	47,708,816	6.8%	-0.1%
2027	\$9.34	162	3.2%	10.8%	47,210,612	6.8%	-0.2%
2026	\$9.05	157	3.4%	7.4%	47,501,811	7.0%	-0.4%
2025	\$8.76	152	3.2%	3.9%	48,848,737	7.4%	-0.2%
2024	\$8.49	147	0.7%	0.7%	48,941,023	7.6%	0.2%
YTD	\$8.48	147	1.4%	0.6%	49,044,621	7.6%	0.2%
2023	\$8.43	146	5.3%	0%	46,481,221	7.4%	2.3%
2022	\$8	139	4.9%	-5.0%	30,433,506	5.1%	-1.2%
2021	\$7.63	132	4.4%	-9.4%	36,315,751	6.4%	-2.2%
2020	\$7.31	127	2.6%	-13.2%	47,077,108	8.6%	2.1%
2019	\$7.12	124	2.7%	-15.4%	33,757,589	6.5%	1.1%
2018	\$6.94	120	2.4%	-17.7%	27,234,867	5.4%	0.3%
2017	\$6.78	118	3.0%	-19.6%	25,000,391	5.1%	-0.4%
2016	\$6.58	114	1.0%	-21.9%	26,346,038	5.5%	0.4%
2015	\$6.51	113	3.6%	-22.7%	23,921,410	5.1%	0.3%
2014	\$6.29	109	3.1%	-25.4%	21,687,933	4.8%	-0.5%
2013	\$6.10	106	2.5%	-27.6%	23,507,024	5.3%	0.4%
2012	\$5.95	103	2.1%	-29.4%	21,450,301	4.9%	-0.7%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$14.78	162	2.9%	17.7%	6,480,065	10.2%	0.1%
2027	\$14.36	157	3.0%	14.4%	6,389,667	10.1%	0.4%
2026	\$13.94	153	3.3%	11.0%	6,122,691	9.7%	0.6%
2025	\$13.49	148	3.1%	7.5%	5,715,565	9.1%	0.6%
2024	\$13.09	143	4.3%	4.3%	5,285,621	8.5%	-0.1%
YTD	\$13.05	143	4.6%	4.0%	5,325,328	8.6%	0%
2023	\$12.55	138	3.8%	0%	5,292,525	8.6%	-0.4%
2022	\$12.10	133	4.2%	-3.6%	5,428,262	9.0%	-0.6%
2021	\$11.61	127	4.3%	-7.5%	5,748,192	9.6%	0.8%
2020	\$11.13	122	0.8%	-11.4%	5,188,380	8.7%	0.2%
2019	\$11.03	121	1.6%	-12.1%	5,006,007	8.5%	0.9%
2018	\$10.86	119	2.1%	-13.5%	4,454,829	7.6%	0%
2017	\$10.63	116	1.4%	-15.3%	4,439,097	7.6%	0.9%
2016	\$10.48	115	0.8%	-16.5%	3,887,986	6.7%	0.5%
2015	\$10.41	114	2.1%	-17.1%	3,546,106	6.2%	-0.2%
2014	\$10.20	112	3.6%	-18.8%	3,625,725	6.4%	-1.0%
2013	\$9.84	108	3.8%	-21.6%	4,093,798	7.3%	-1.3%
2012	\$9.48	104	4.6%	-24.5%	4,708,356	8.6%	-0.6%

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
2028	-	-	-	-	-	-	\$111.70	217	7.9%
2027	-	-	-	-	-	-	\$106.80	208	8.0%
2026	-	-	-	-	-	-	\$102.20	199	8.1%
2025	-	-	-	-	-	-	\$97.07	189	8.2%
2024	-	-	-	-	-	-	\$93.79	182	8.2%
YTD	1,016	\$596.6M	3.5%	\$3,593,936	\$118.89	7.4%	\$93.70	182	8.2%
2023	1,040	\$585.7M	3.9%	\$3,615,499	\$101.77	8.3%	\$95.22	185	7.8%
2022	1,416	\$2.2B	6.6%	\$8,141,421	\$132.91	7.3%	\$100.18	195	6.9%
2021	1,732	\$2.5B	9.4%	\$7,308,896	\$100.57	7.0%	\$101.19	197	6.3%
2020	1,134	\$670.7M	6.1%	\$3,945,356	\$88.27	7.7%	\$87.43	170	6.8%
2019	1,215	\$1.2B	5.8%	\$3,893,577	\$78.27	7.7%	\$80.13	156	7.0%
2018	1,293	\$1.3B	6.6%	\$4,417,936	\$77.40	8.0%	\$76.49	149	7.0%
2017	1,213	\$1.2B	5.4%	\$3,897,489	\$75.53	7.5%	\$74.22	144	6.8%
2016	914	\$467.6M	3.5%	\$2,941,062	\$68	8.2%	\$74.74	145	6.5%
2015	1,033	\$860.7M	5.8%	\$5,093,058	\$95.29	8.5%	\$73.64	143	6.3%
2014	982	\$636.9M	4.6%	\$2,830,805	\$64.49	8.3%	\$66.21	129	6.7%
2013	831	\$466.3M	4.9%	\$2,507,102	\$50.72	8.6%	\$60.87	118	6.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$105.43	225	7.8%
2027	-	-	-	-	-	-	\$100.60	215	7.9%
2026	-	-	-	-	-	-	\$96.05	205	8.0%
2025	-	-	-	-	-	-	\$90.97	194	8.1%
2024	-	-	-	-	-	-	\$87.66	187	8.1%
YTD	86	\$50.8M	2.6%	\$2,673,050	\$139.02	7.4%	\$87.12	186	8.1%
2023	99	\$40.4M	2.1%	\$3,363,292	\$105.78	5.6%	\$88.49	189	7.7%
2022	153	\$155.7M	4.8%	\$5,024,123	\$101.96	5.3%	\$93.24	199	6.8%
2021	205	\$166.7M	7.0%	\$3,268,016	\$91.22	7.5%	\$94.51	202	6.2%
2020	103	\$46.5M	3.9%	\$3,322,856	\$68.58	5.0%	\$81.58	174	6.7%
2019	122	\$167.4M	5.1%	\$5,399,591	\$86.98	6.6%	\$74.76	160	6.9%
2018	131	\$134.5M	5.1%	\$4,639,119	\$59.30	8.6%	\$70.66	151	6.9%
2017	128	\$131.5M	4.4%	\$4,383,983	\$92.86	5.4%	\$68.24	146	6.8%
2016	95	\$39.1M	3.4%	\$3,913,837	\$58.25	8.7%	\$68.53	147	6.4%
2015	94	\$179.3M	4.3%	\$12,808,437	\$148.56	8.5%	\$67.63	145	6.3%
2014	106	\$45.2M	2.9%	\$3,015,252	\$63.28	7.4%	\$60.65	130	6.7%
2013	94	\$30.2M	2.8%	\$2,016,323	\$73.11	7.6%	\$55.34	118	6.9%

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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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$110.44	217	7.9%
2027	-	-	-	-	-	-	\$105.61	208	8.0%
2026	-	-	-	-	-	-	\$101.08	199	8.0%
2025	-	-	-	-	-	-	\$96.03	189	8.2%
2024	-	-	-	-	-	-	\$92.81	183	8.2%
YTD	780	\$507.6M	3.6%	\$4,301,904	\$115.02	7.4%	\$92.82	183	8.2%
2023	794	\$505.9M	4.2%	\$4,181,372	\$100.18	9.2%	\$94.34	186	7.7%
2022	1,032	\$1.5B	6.6%	\$7,564,509	\$107.10	8.0%	\$99.19	195	6.9%
2021	1,244	\$2.2B	9.6%	\$8,511,502	\$100.23	6.8%	\$100.13	197	6.3%
2020	836	\$507.9M	6.4%	\$4,268,210	\$85.51	8.2%	\$86.44	170	6.7%
2019	921	\$784.1M	5.7%	\$3,751,709	\$71.25	8.0%	\$79.17	156	7.0%
2018	989	\$1B	6.9%	\$4,868,650	\$79.59	7.4%	\$75.52	149	7.0%
2017	916	\$889.8M	5.5%	\$4,383,026	\$73.81	7.7%	\$73.36	144	6.8%
2016	695	\$382.6M	3.5%	\$3,214,794	\$71.02	8.2%	\$73.82	145	6.5%
2015	812	\$545.9M	6.1%	\$4,298,066	\$81.64	8.3%	\$72.76	143	6.3%
2014	744	\$499.2M	4.8%	\$2,919,335	\$62.11	8.4%	\$65.43	129	6.7%
2013	648	\$385.6M	5.5%	\$2,520,056	\$46.91	8.7%	\$60.20	118	6.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(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. The price index is not smoothed.

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
2028	-	-	-	-	-	-	\$138	206	8.3%
2027	-	-	-	-	-	-	\$132.25	197	8.4%
2026	-	-	-	-	-	-	\$126.82	189	8.4%
2025	-	-	-	-	-	-	\$120.69	180	8.6%
2024	-	-	-	-	-	-	\$116.77	174	8.6%
YTD	150	\$38.2M	4.0%	\$1,316,575	\$159.37	7.3%	\$116.57	174	8.6%
2023	147	\$39.4M	4.2%	\$1,358,805	\$122.01	6.7%	\$118.44	177	8.1%
2022	231	\$598.8M	9.6%	\$12,474,344	\$398.48	6.0%	\$124.95	186	7.2%
2021	283	\$151.6M	12.2%	\$4,332,106	\$119.85	8.7%	\$126.13	188	6.6%
2020	195	\$116.3M	7.4%	\$3,142,529	\$118.62	7.1%	\$109.89	164	7.0%
2019	172	\$224.4M	7.4%	\$3,618,805	\$107.16	7.8%	\$101.35	151	7.3%
2018	173	\$78.7M	6.7%	\$1,919,979	\$92	10.7%	\$98.69	147	7.2%
2017	169	\$159.7M	7.2%	\$2,280,935	\$73.77	8.3%	\$95.56	143	7.0%
2016	124	\$45.9M	3.6%	\$1,530,999	\$56.16	7.8%	\$97.32	145	6.6%
2015	127	\$135.6M	6.6%	\$4,841,226	\$118.95	9.5%	\$95.30	142	6.5%
2014	132	\$92.5M	6.1%	\$2,371,695	\$82.27	9.6%	\$85.98	128	6.9%
2013	89	\$50.5M	4.4%	\$2,805,980	\$90.27	-	\$79.37	118	7.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(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. The price index is not smoothed.