HOUSTON

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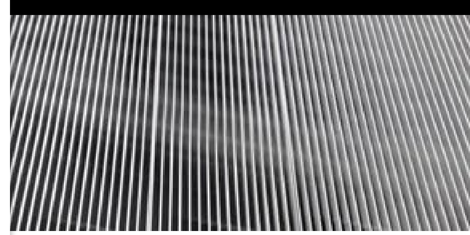
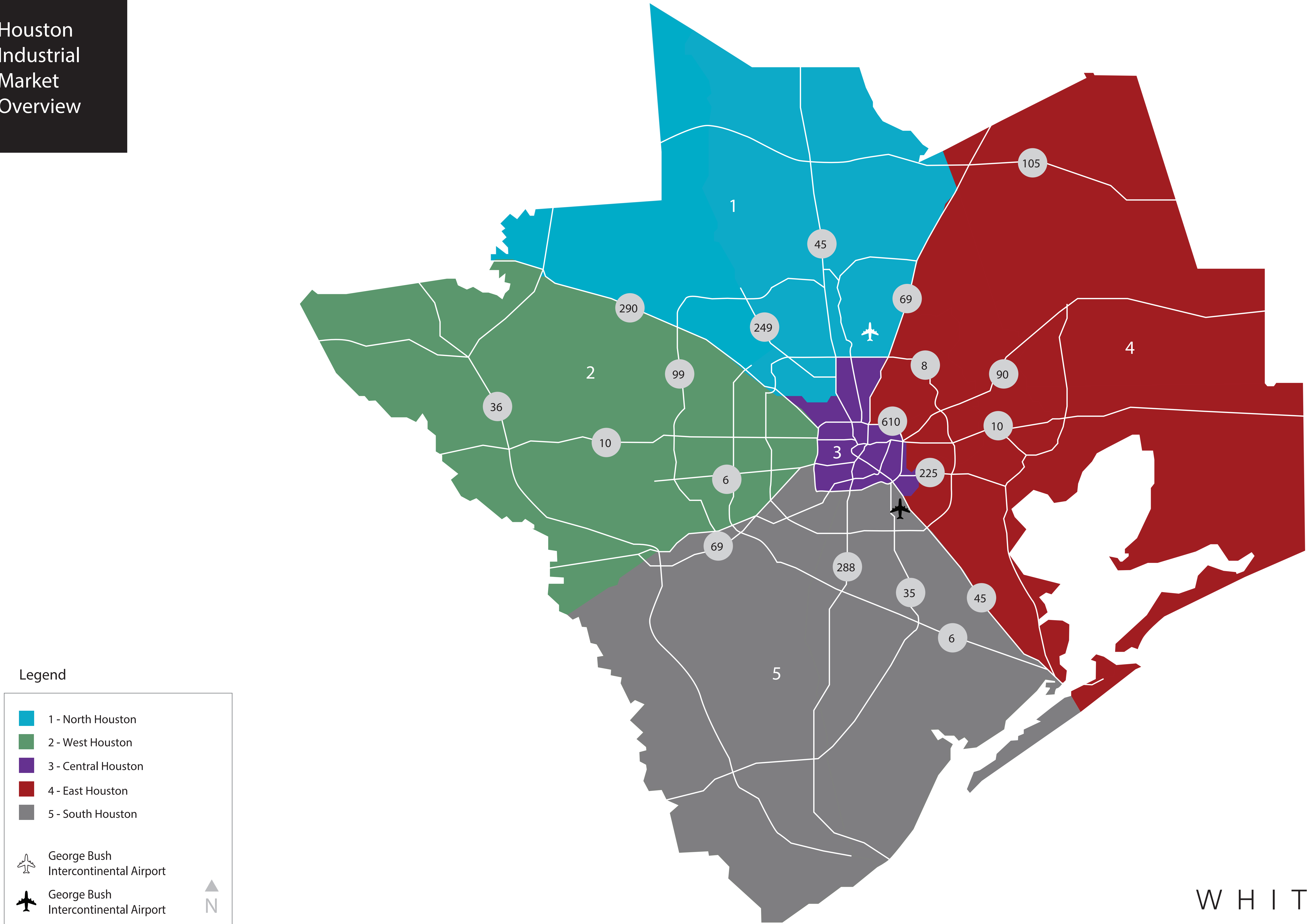
REAL ESTATE

Q2 2022

INDUSTRIAL MARKET BEAT



Houston Industrial Market Overview



WHITEBOX REAL ESTATE

MARKET BEAT

INDUSTRIAL OVERVIEW

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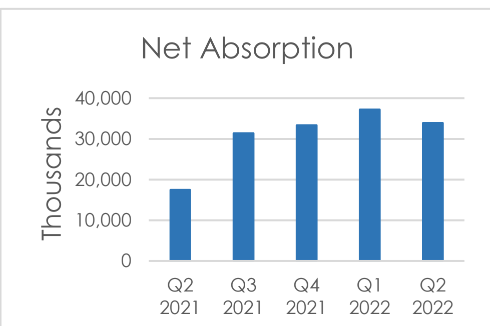
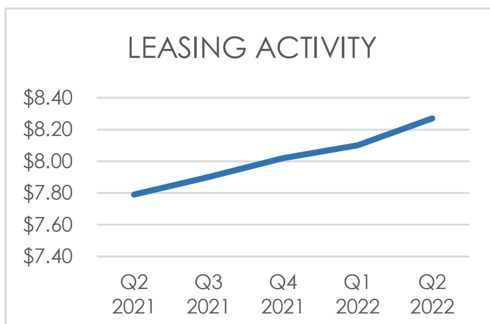
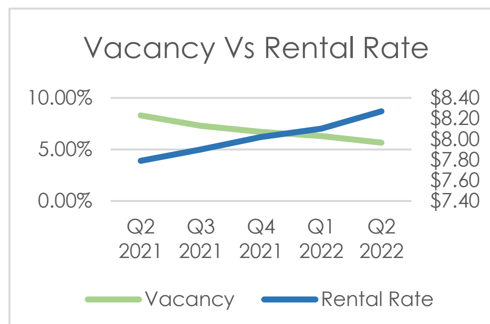
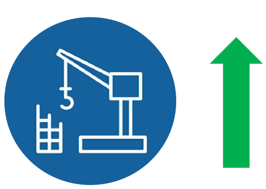
HOUSTON INDUSTRIAL OVERVIEW | Q2 2022

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Houston	735,666,334 SF	68,404,031 SF	5.9%	73,337,922 SF	23,552,673 SF	18,673,907 SF	$8.01/SF
Texas	2,535,027,751 SF	167,311,831 SF	4.8%	114,716,935 SF	82,846,215 SF	113,902,855 SF	$8.17/SF
United States	17,796,404,903 SF	1,192,359,128 SF	3.9%	500,579,369 SF	352,334,740 SF	643,711,223 SF	$10.58/SF







Under Construction	Delivered	Absorption	Sale Price PSF
			

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MARKET BEAT

TOTAL INDUSTRIAL STATISTICS

WHITEBOX REAL ESTATE

Market	Total Inventory	Vacancy		12 Month Total		Construction	Quoted
		Vacant SF	Vac %	Net Absorption	Net Deliveries	Current SF	Rates
Austin County	2,414,484	217,883	9.02%	34,281	-	-	$6.57
CBD-NW Inner Loop	12,578,122	275,587	2.19%	96,719	-	-	$9.07
Downtown Houston	31,658,738	1,621,561	5.12%	216,906	-	-	$6.19
East I-10 Outer Loop	15,624,469	643,728	4.12%	249,573	-	-	$6.71
East-Southeast Far	94,379,230	5,818,480	6.17%	6,855,046	3,253,291	5,206,131	$8.19
Highway 290 / Tomball Parkway	32,012,763	2,047,856	6.40%	3,957,585	1,602,170	917,625	$8.57
Highway 59 / Highway 90	29,648,495	2,067,686	6.97%	1,099,715	797,784	540,124	$8.57
Liberty County	2,127,891	93,138	4.38%	(59,024)	-	-	$7.89
North Freeway / Tomball Parkway	38,953,970	1,705,405	4.38%	2,728,379	455,237	1,636,809	$8.88
North Hardy Toll Road	43,790,134	3,659,541	8.36%	2,835,169	1,293,363	1,553,680	$8.35
North Inner Loop	5,534,837	198,590	3.59%	18,232	-	-	$6.30
North Outer Loop	28,136,364	1,549,470	5.51%	774,909	9,900	280,620	$7.78
Northeast Highway 321	2,572,323	72,720	2.83%	101,970	141,360	277,235	$10.07
Northeast Highway 90	26,639,769	1,860,788	6.99%	2,209,897	981,116	310,792	$8.30
Northeast I-10	4,666,655	104,346	2.24%	54,164	-	1,305,453	$7.62
Northeast Inner Loop	13,051,881	476,524	3.65%	281,035	-	-	$5.84
Northwest Highway 6	18,919,718	1,172,077	6.20%	1,460,723	543,301	1,589,442	$10.00
Northwest Inner Loop	64,837,944	3,409,827	5.26%	1,429,915	134,976	35,451	$8.06
Northwest Near	20,476,138	1,103,050	5.39%	(349,819)	21,582	-	$7.86
Northwest Outliers	39,256,607	2,759,347	7.03%	3,352,569	1,847,728	5,175,799	$9.43
South Highway 35	43,694,042	1,154,834	2.64%	1,187,920	318,849	91,500	$7.77
South Inner Loop	12,819,874	336,650	2.63%	697,193	-	2,600	$6.94
Southeast Outer Loop	18,269,646	1,025,475	5.61%	704,379	125	457,400	$6.11
Southwest Far	22,844,581	2,474,753	10.83%	2,083,220	2,789,591	387,643	$8.70
Southwest Inner Loop	6,744,323	606,989	9.00%	32,882	-	159,085	$10.49
Southwest Outer Loop	14,970,363	767,980	5.13%	199,443	-	4,750	$10.44
Sugar Land	33,592,800	1,631,938	4.86%	5,067,434	5,307,228	1,397,430	$8.59
The Woodlands / Conroe	31,431,791	1,298,762	4.13%	3,331,671	3,256,831	344,370	$10.57
West Outer Loop	31,390,008	1,728,020	5.51%	358,605	521,119	915,194	$8.52
Totals	743,037,960	39,998,246	5.38%	82,021,382	23,275,551	22,589,133	$8.22

Source: CoStar Property®

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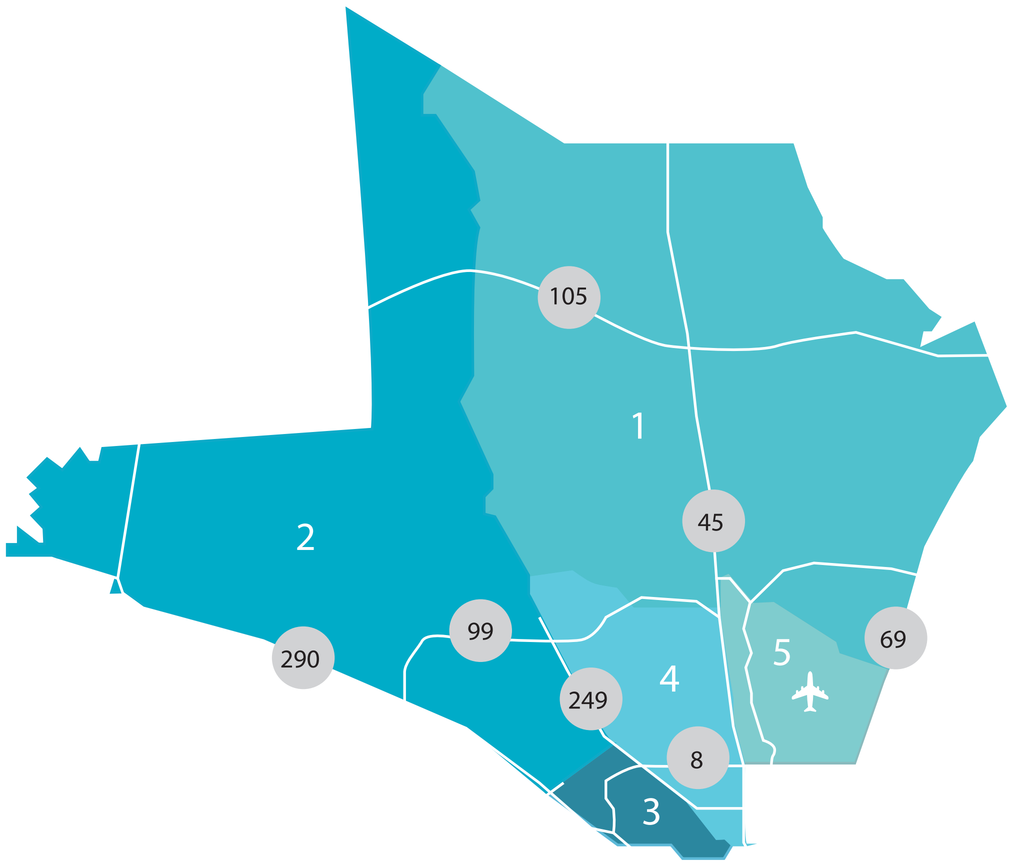
North Houston Industrial Market Overview



Legend

- 1 - The Woodlands / Conroe
- 2 - Northwest Highway 6
- 3 - Highway 290 / Tomball Parkway
- 4 - North Freeway / Tomball Parkway
- 5 - North Hardy Toll Road

George Bush Intercontinental Airport

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WHITEBOX REAL ESTATE

MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

The Woodlands / Conroe | Q2 2022

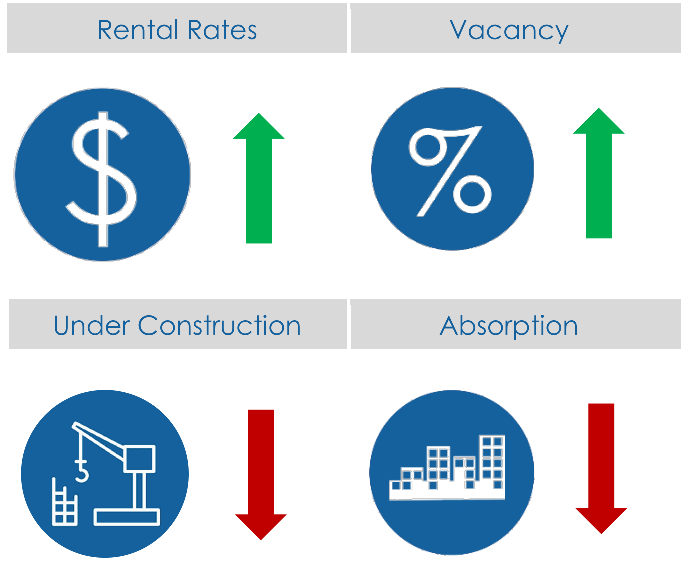
Market Insights:

The The Woodlands / Conroe Submarket ended the second quarter of 2022 with a vacancy rate of 3.80%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 3,500,424 SF at the end of Q2 2022.

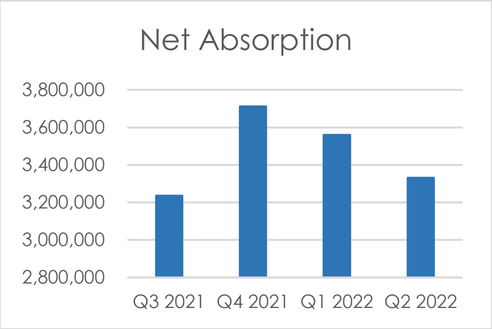
Rental rates ended the second quarter at $10.55/SF across all classes, increasing from $10.16/SF in the previous quarter. 12-month new construction deliveries are at 3,277,836 SF, and there is currently 344,370 SF under construction in the submarket.

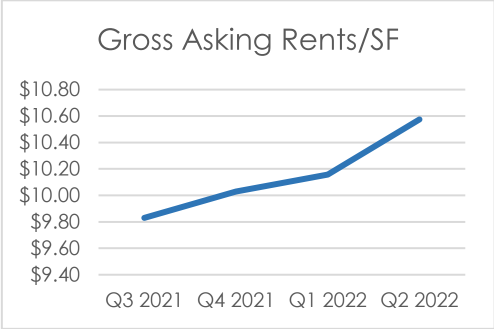
The Woodlands / Conroe commercial sale prices ended the second quarter of 2022 at $110/SF, increasing from $106/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

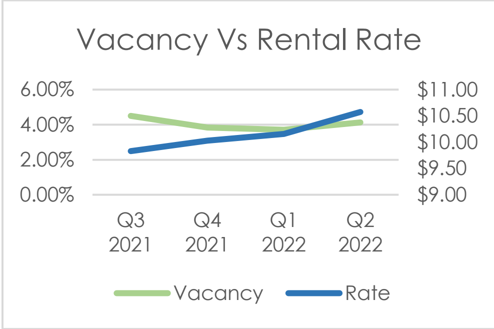
Q2 2022 vs Q1 2022



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
The Woodlands / Conroe	31,379,369 SF	2,050,956 SF	3.80%	3,500,424 SF	3,277,836 SF	344,370 SF	$10.55/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Northwest Highway 6 | Q2 2022

Market Insights:

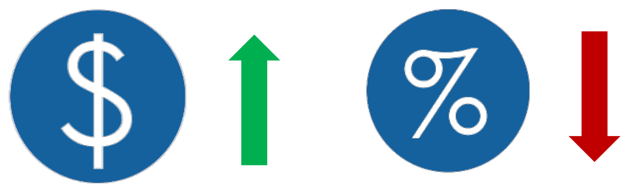
The Northwest Highway 6 Submarket ended the second quarter of 2022 with a vacancy rate of 6.11%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,468,608 SF at the end of Q2 2022.

Rental rates ended the second quarter at $10.04/SF across all classes, increasing from $10.00/SF in the previous quarter. 12-month new construction deliveries are at 621,773 SF, and there is currently 1,567,852 SF under construction in the submarket.

Northwest Highway 6 commercial sale prices ended the second quarter of 2022 at $108/SF, increasing from $105/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

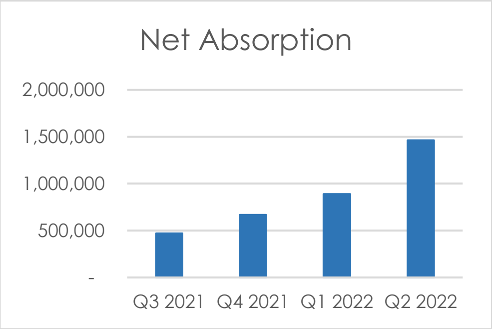
Q2 2022 vs Q1 2022

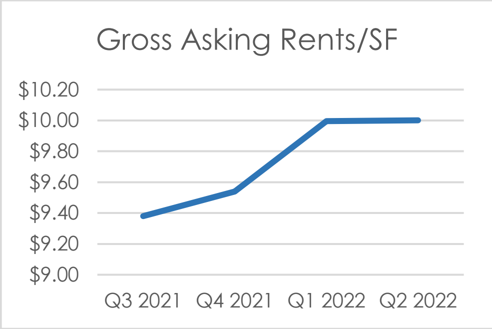
Rental Rates	Vacancy

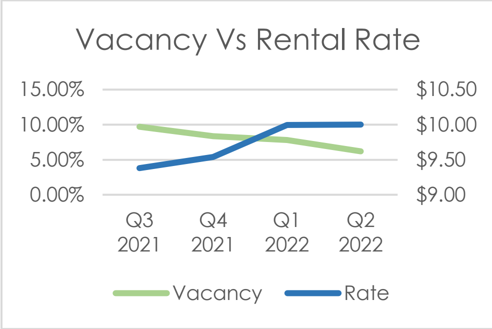


Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northwest Highway 6	18,894,300 SF	1,623,587 SF	6.11%	1,468,608 SF	621,773 SF	1,567,852 SF	$10.04/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

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Highway 290 / Tomball Parkway | Q2 2022

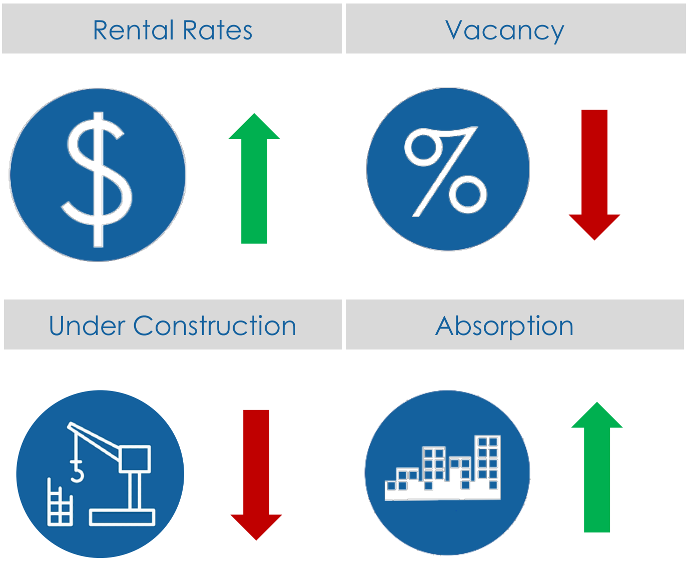
Market Insights:

The Highway 290 / Tomball Parkway Submarket ended the second quarter of 2022 with a vacancy rate of 6.23%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 4,018,745 SF at the end of Q2 2022.

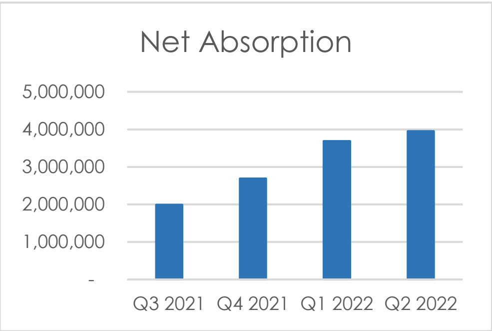
Rental rates ended the second quarter at $8.53/SF across all classes, increasing from $8.27/SF in the previous quarter. 12-month new construction deliveries are at 1,602,170 SF, and there is currently 917,625 SF under construction in the submarket.

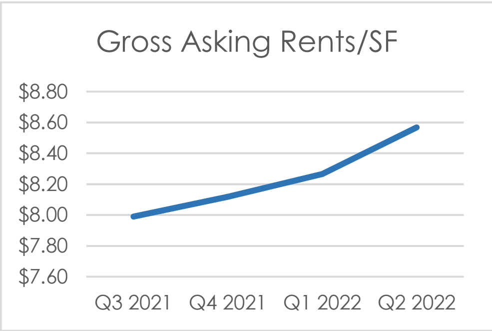
Highway 290 / Tomball Parkway commercial sale prices ended the second quarter of 2022 at $107/SF, increasing from $102/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

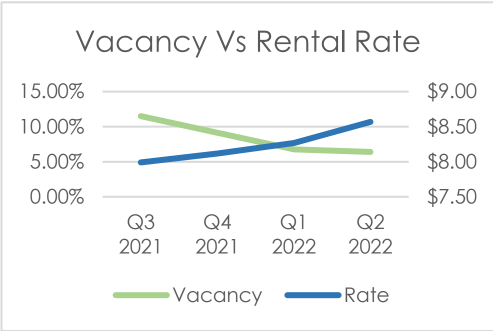
Q2 2022 vs Q1 2022



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Highway 290 / Tomball Parkway	32,007,730 SF	3,626,156 SF	6.23%	4,018,745 SF	1,602,170 SF	917,625 SF	$8.53/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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INDUSTRIAL SUBMARKET REPORT

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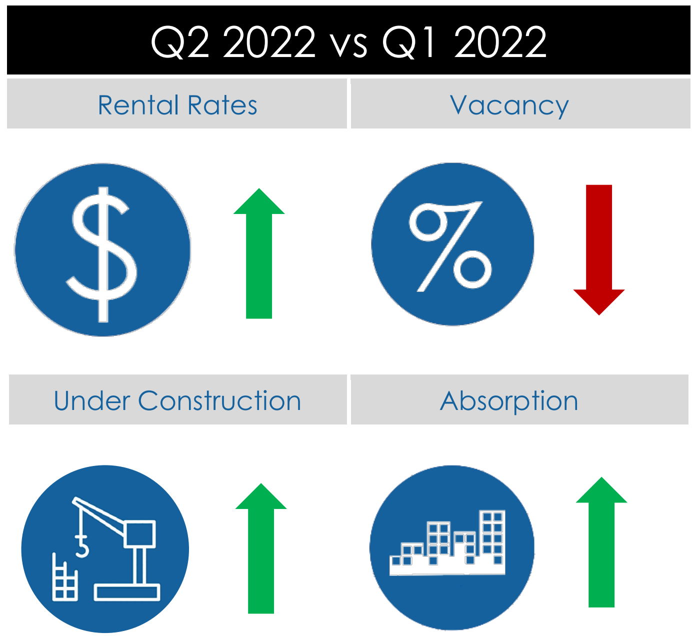
North Freeway / Tomball Parkway | Q2 2022

Market Insights:

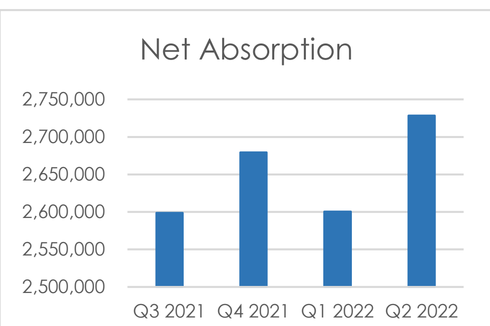
The North Freeway / Tomball Parkway Submarket ended the second quarter of 2022 with a vacancy rate of 4.61%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 2,688,407 SF at the end of Q2 2022.

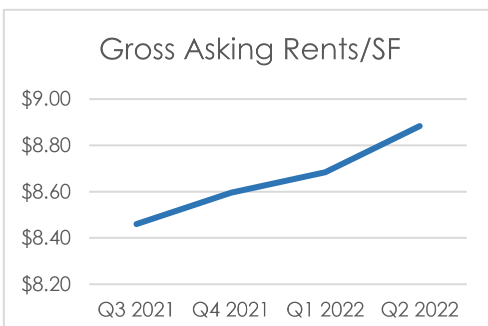
Rental rates ended the second quarter at $8.88/SF across all classes, increasing from $8.68/SF in the previous quarter. 12-month new construction deliveries are at 479,455 SF, and there is currently 1,616,809 SF under construction in the submarket.

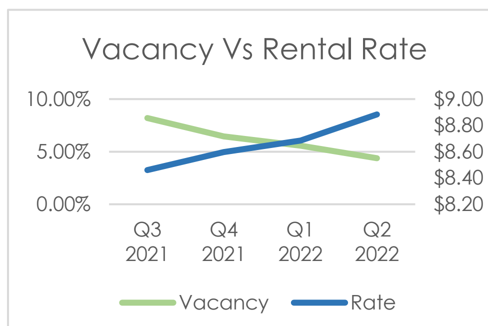
North Freeway / Tomball Parkway commercial sale prices ended the second quarter of 2022 at $109/SF, increasing from $104/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
North Freeway / Tomball Parkway	38,936,654 SF	3,966,866 SF	4.61%	2,688,407 SF	479,455 SF	1,616,809 SF	$8.88/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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INDUSTRIAL SUBMARKET REPORT

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North Hardy Toll Road | Q2 2022

Market Insights:

The North Hardy Toll Road Submarket ended the second quarter of 2022 with a vacancy rate of 8.06%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 3,045,771 SF at the end of Q2 2022.

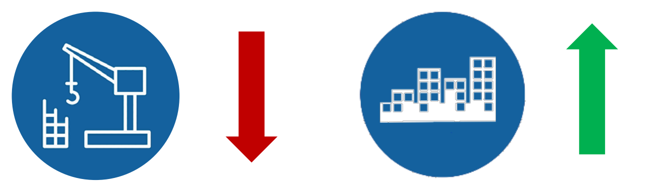
Rental rates ended the second quarter at $8.32/SF across all classes, increasing from $8.10/SF in the previous quarter. 12-month new construction deliveries are at 1,293,363 SF, and there is currently 1,131,440 SF under construction in the submarket.

North Hardy Toll Road commercial sale prices ended the second quarter of 2022 at $103/SF, increasing from $99/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

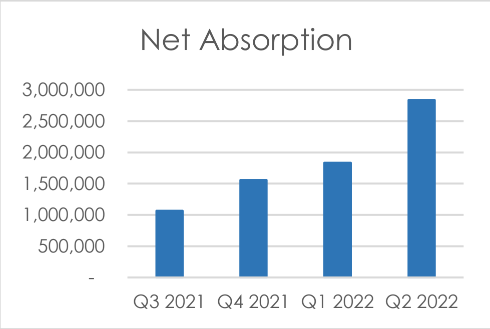
Q2 2022 vs Q1 2022

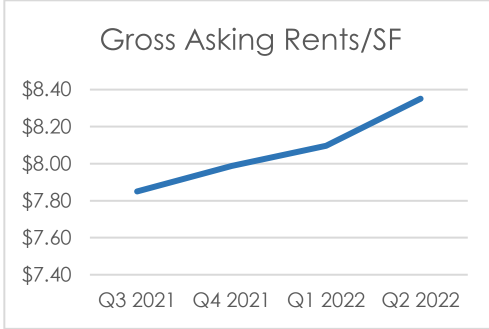
Rental Rates	Vacancy

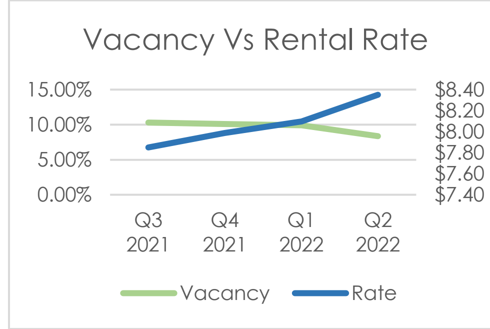
Under Construction	Absorption



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
North Hardy Toll Road	43,810,784 SF	5,209,978 SF	8.06%	3,045,771 SF	1,293,363 SF	1,131,440 SF	$8.32/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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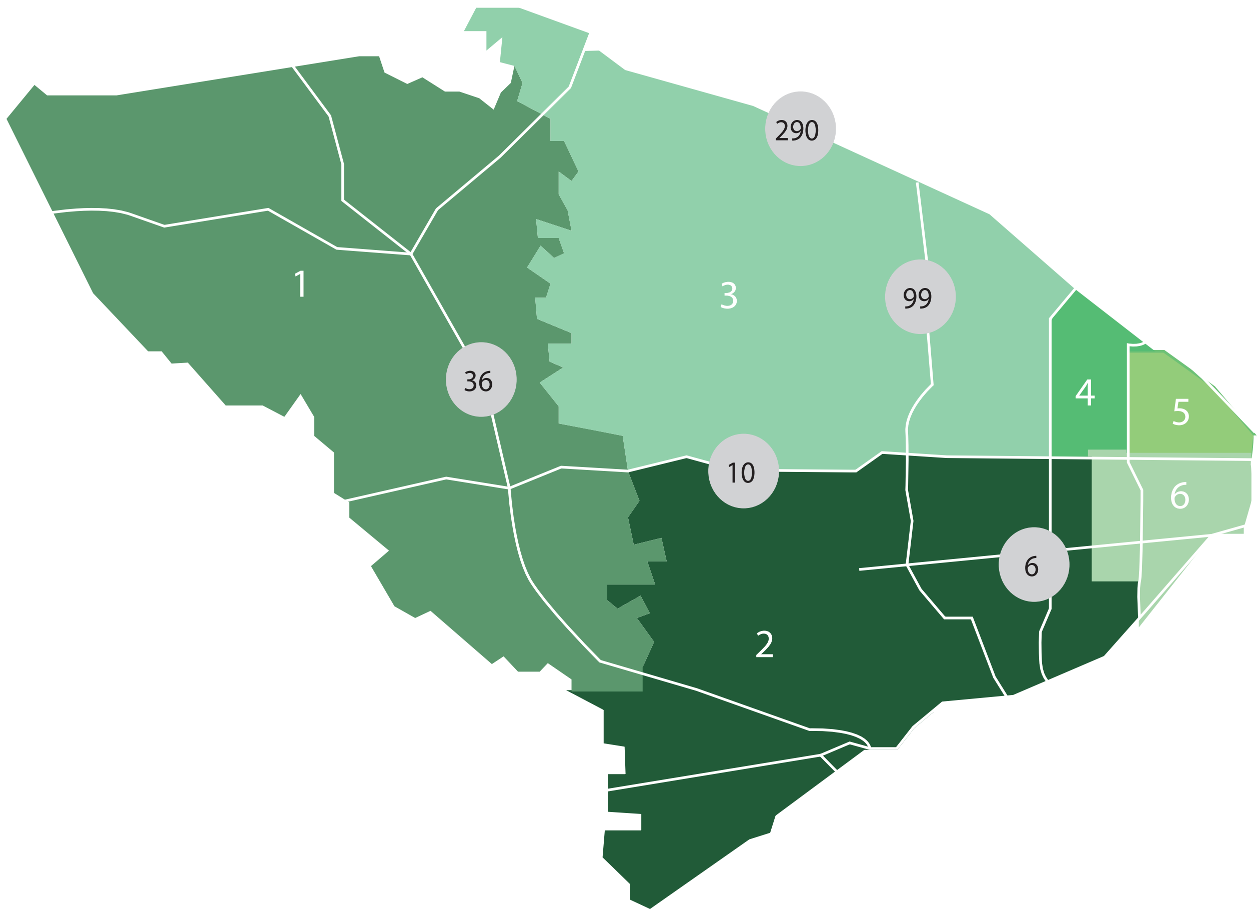
West Houston Industrial Market Overview



Legend

- 1 - Austin County
- 2 - Sugar Land
- 3 - Northwest Outliers
- 4 - West Outer Loop
- 5 - Northwest Inner Loop
- 6 - Southwest Outer Loop

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REAL ESTATE

MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

WHITEBOX REAL ESTATE

Austin County | Q2 2022

Market Insights:

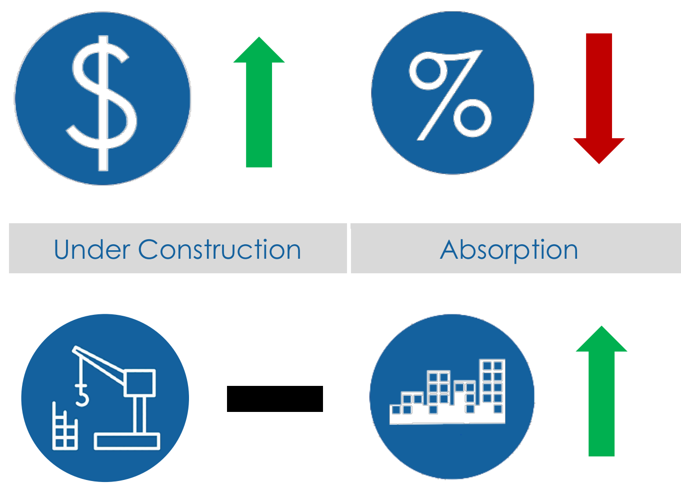
The Austin County Submarket ended the second quarter of 2022 with a vacancy rate of 8.99%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 32,268 SF at the end of Q2 2022.

Rental rates ended the second quarter at $6.55/SF across all classes, increasing from $6.54/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

Austin County commercial sale prices ended the second quarter of 2022 at $91/SF, increasing from $87/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

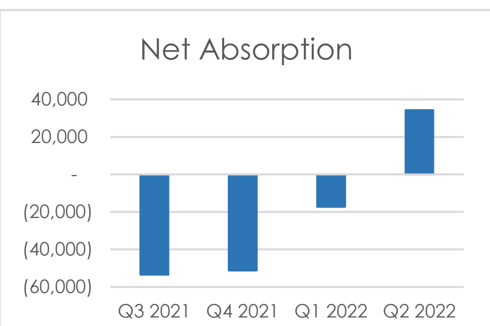
Q2 2022 vs Q1 2022

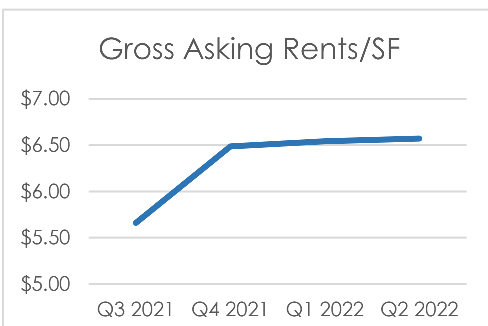
Rental Rates	Vacancy

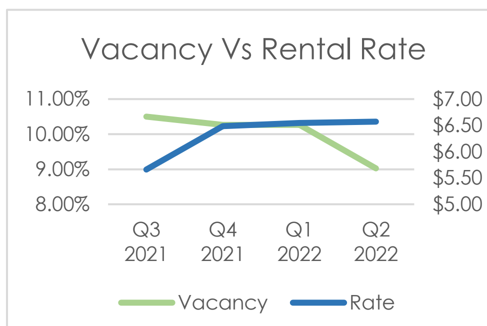


Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Austin County	2,410,734 SF	50,650 SF	8.99%	32,268 SF	0 SF	0 SF	$6.55/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Sugar Land | Q2 2022

Market Insights:

The Sugar Land Submarket ended the second quarter of 2022 with a vacancy rate of 5.23%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 4,970,339 SF at the end of Q2 2022.

Rental rates ended the second quarter at $8.53/SF across all classes, increasing from $8.29/SF in the previous quarter. 12-month new construction deliveries are at 5,395,872 SF, and there is currently 1,397,430 SF under construction in the submarket.

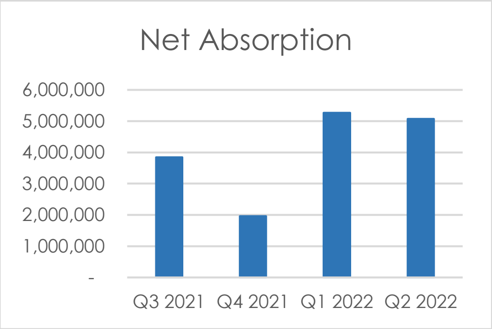
Sugar Land commercial sale prices ended the second quarter of 2022 at $112/SF, increasing from $103/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

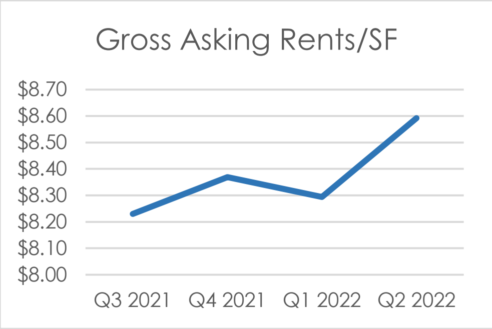
Q2 2022 vs Q1 2022

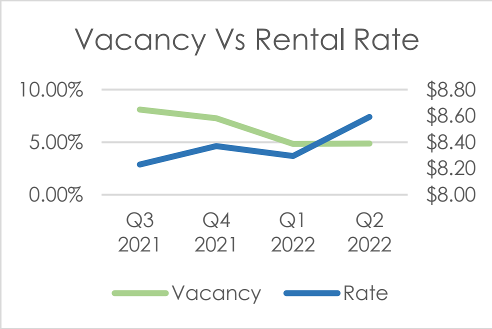
Rental Rates | Vacancy

Under Construction | Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Sugar Land	33,597,800 SF	3,135,683 SF	5.23%	4,970,339 SF	5,395,872 SF	1,397,430 SF	$8.53/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Northwest Outliers | Q2 2022

Market Insights:

The Northwest Outliers Submarket ended the second quarter of 2022 with a vacancy rate of 6.89%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 3,459,608 SF at the end of Q2 2022.

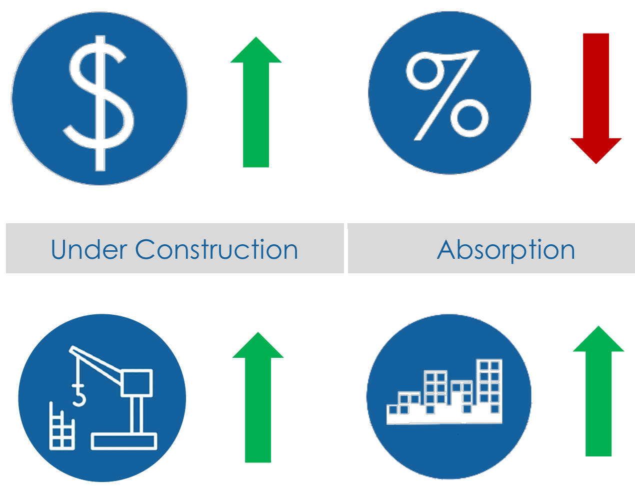
Rental rates ended the second quarter at $9.35/SF across all classes, increasing from $9.03/SF in the previous quarter. 12-month new construction deliveries are at 1,913,923 SF, and there is currently 5,087,389 SF under construction in the submarket.

Northwest Outliers commercial sale prices ended the second quarter of 2022 at $108/SF, increasing from $102/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

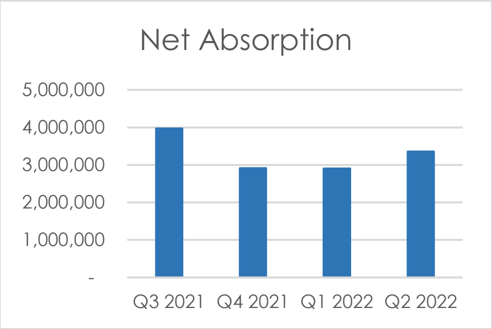
Q2 2022 vs Q1 2022

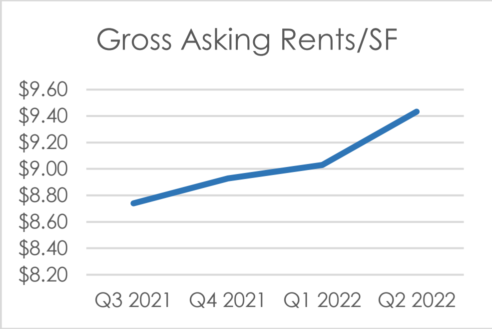
Rental Rates	Vacancy

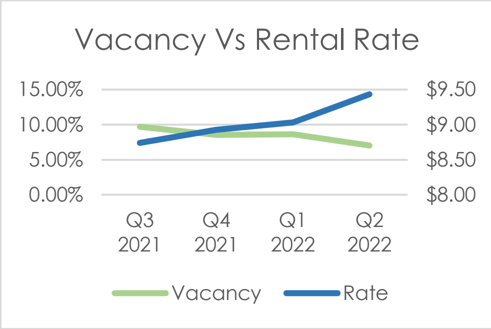
Under Construction	Absorption



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northwest Outliers	39,235,463 SF	6,997,252 SF	6.89%	3,459,608 SF	1,913,923 SF	5,087,389 SF	$9.35/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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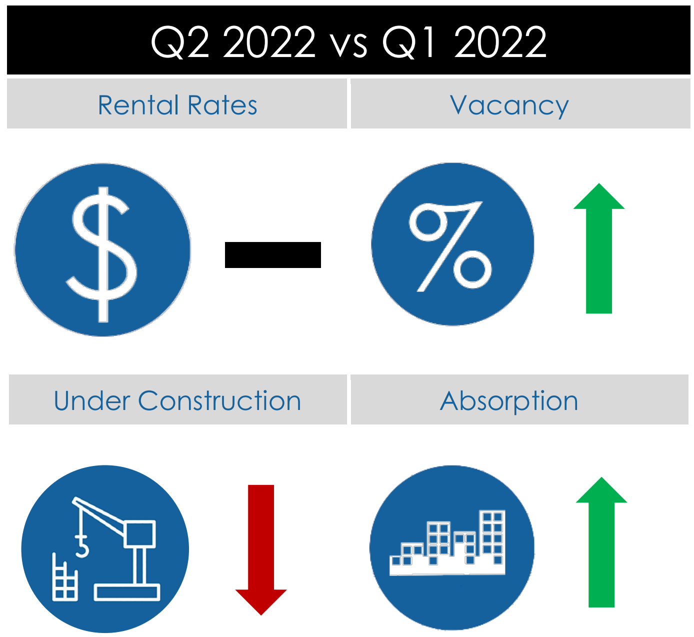
West Outer Loop | Q2 2022

Market Insights:

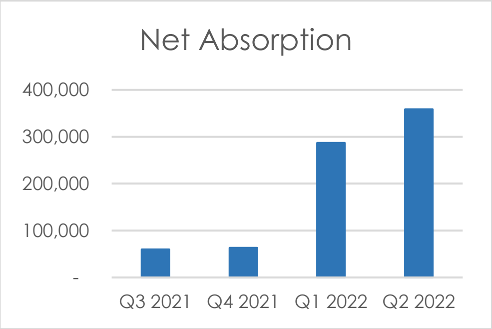
The West Outer Loop Submarket ended the second quarter of 2022 with a vacancy rate of 5.48%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 310,506 SF at the end of Q2 2022.

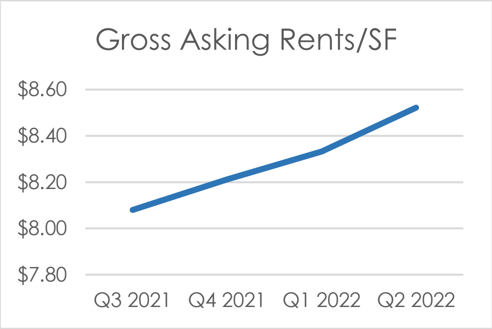
Rental rates ended the second quarter at $8.52/SF across all classes, increasing from $8.33/SF in the previous quarter. 12-month new construction deliveries are at 469,694 SF, and there is currently 904,908 SF under construction in the submarket.

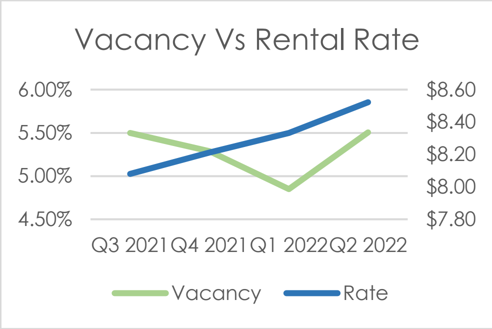
West Outer Loop commercial sale prices ended the second quarter of 2022 at $102/SF, increasing from $98/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
West Outer Loop	31,335,151 SF	2,718,951 SF	5.48%	310,506 SF	469,694 SF	904,908 SF	$8.52/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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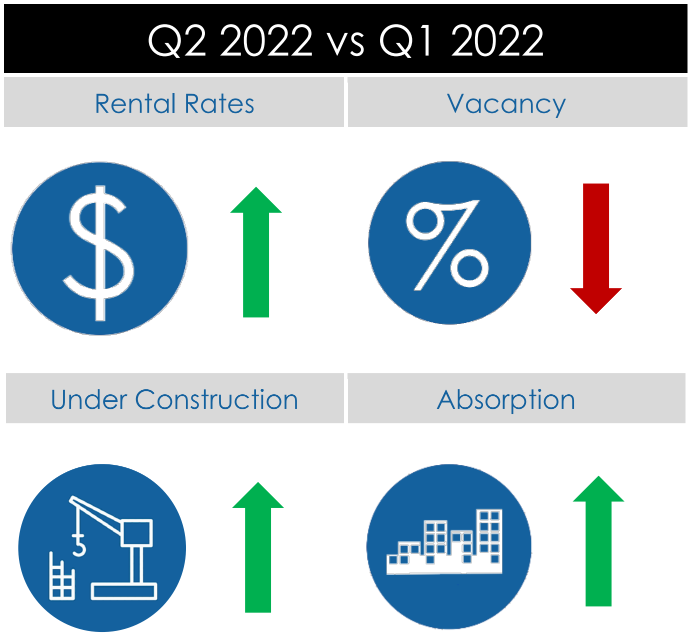
Northwest Inner Loop | Q2 2022

Market Insights:

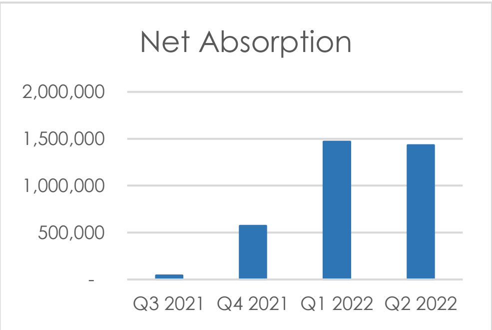
The Northwest Inner Loop Submarket ended the second quarter of 2022 with a vacancy rate of 5.26%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,469,681 SF at the end of Q2 2022.

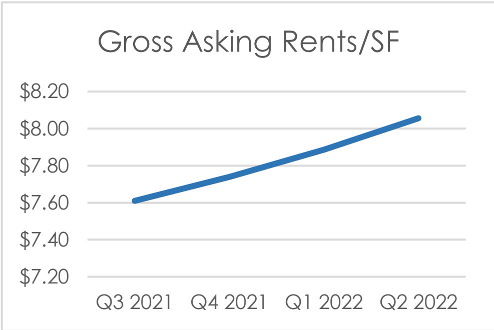
Rental rates ended the second quarter at $8.05/SF across all classes, increasing from $7.89/SF in the previous quarter. 12-month new construction deliveries are at 134,976 SF, and there is currently 35,451 SF under construction in the submarket.

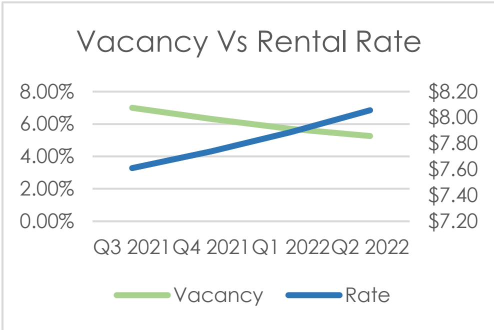
Northwest Inner Loop commercial sale prices ended the second quarter of 2022 at $95/SF, increasing from $92/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northwest Inner Loop	64,841,218 SF	4,496,090 SF	5.26%	1,469,681 SF	134,976 SF	35,451 SF	$8.05/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Southwest Outer Loop | Q2 2022

Market Insights:

The Southwest Outer Loop Submarket ended the second quarter of 2022 with a vacancy rate of 5.90%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 101,531 SF at the end of Q2 2022.

Rental rates ended the second quarter at $10.42/SF across all classes, increasing from $10.21/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently 4,750 SF under construction in the submarket.

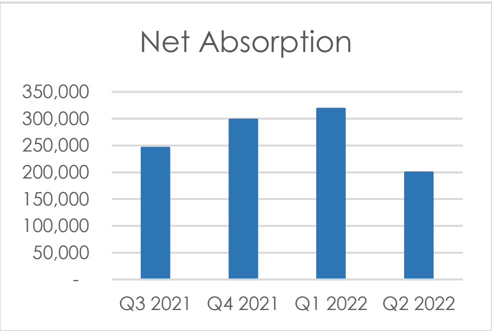
Southwest Outer Loop commercial sale prices ended the second quarter of 2022 at $112/SF, increasing from $108/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

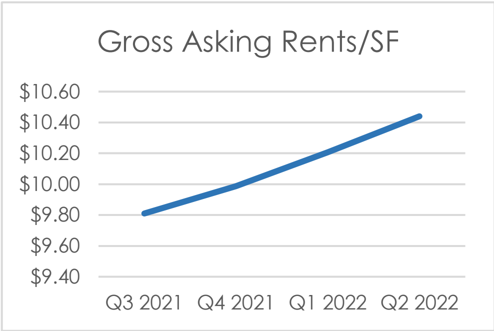
Q2 2022 vs Q1 2022

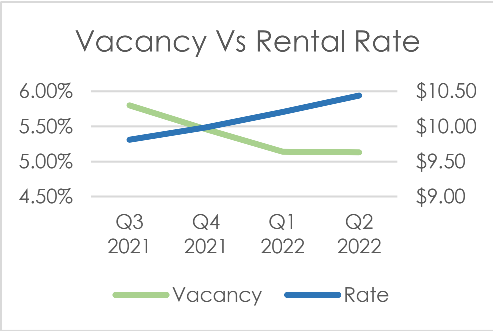
Rental Rates	Vacancy

Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Southwest Outer Loop	14,970,363 SF	853,910 SF	5.90%	101,531 SF	0 SF	4,750 SF	$10.42/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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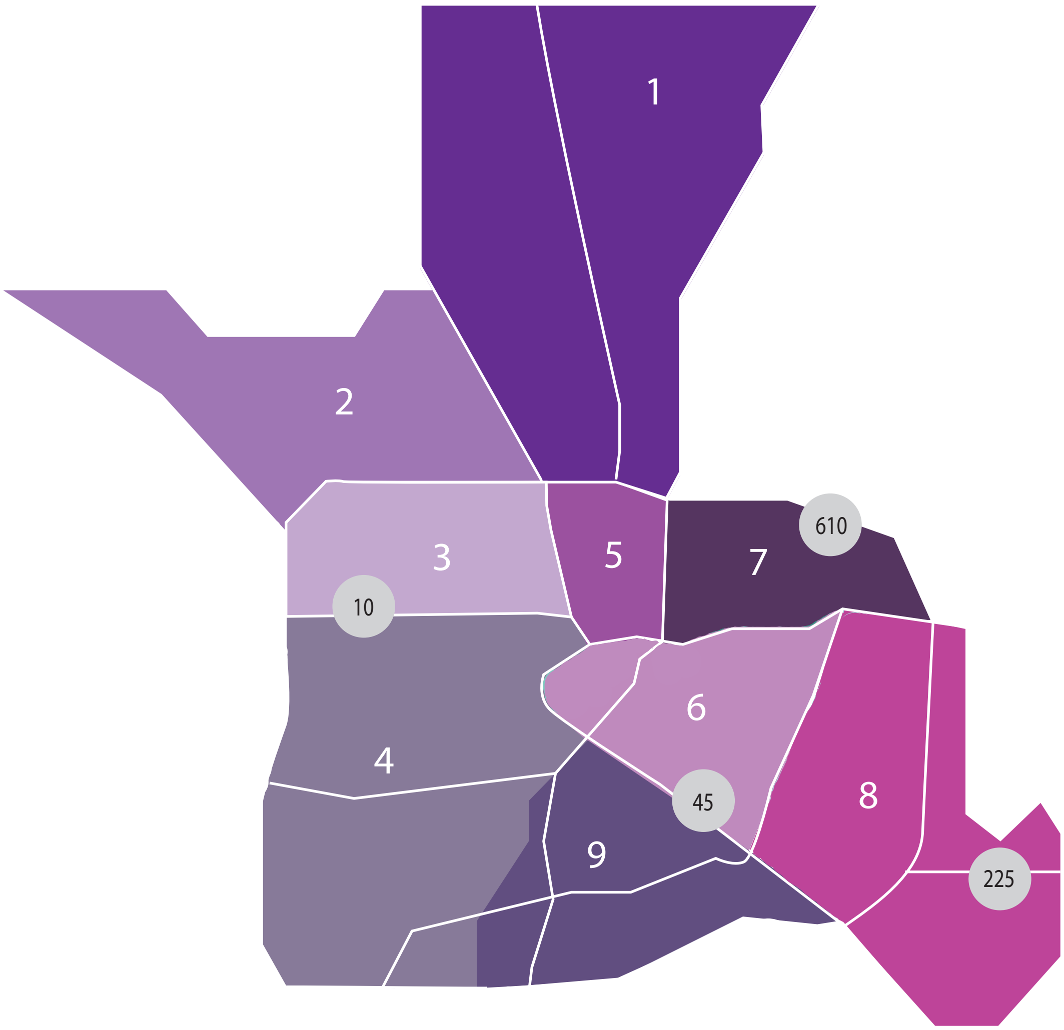
Central Houston Industrial Market Overview



Legend

- 1 - North Outer Loop
- 2 - Northwest Near
- 3 - CBD / Northwest Inner Loop
- 4 - Southwest Inner Loop
- 5 - North Inner Loop
- 6 - Downtown Houston
- 7 - Northeast Inner Loop
- 8 - South Outer Loop
- 9 - South Inner Loop

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North Outer Loop | Q2 2022

Market Insights:

The North Outer Loop Submarket ended the second quarter of 2022 with a vacancy rate of 5.04%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 942,324 SF at the end of Q2 2022.

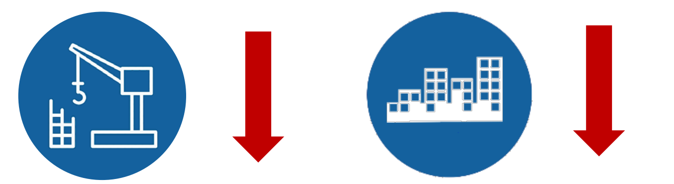
Rental rates ended the second quarter at $7.77/SF across all classes, increasing from $7.57/SF in the previous quarter. 12-month new construction deliveries are at 9,900 SF, and there is currently 280,620 SF under construction in the submarket.

North Outer Loop commercial sale prices ended the second quarter of 2022 at $94/SF, increasing from $91/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

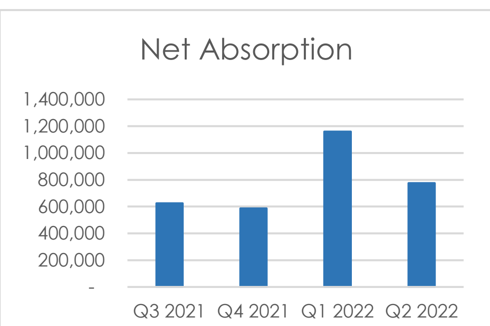
Q2 2022 vs Q1 2022

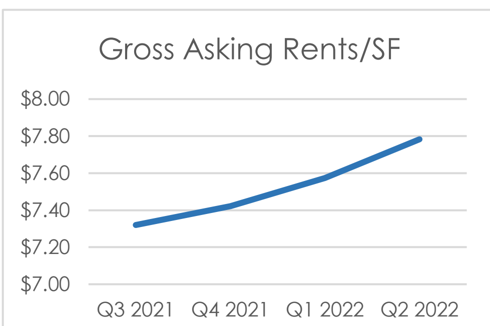
Rental Rates | Vacancy

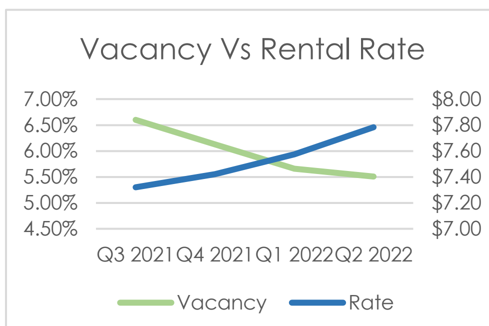
Under Construction | Absorption



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
North Outer Loop	28,129,974 SF	2,472,625 SF	5.04%	942,324 SF	9,900 SF	280,620 SF	$7.77/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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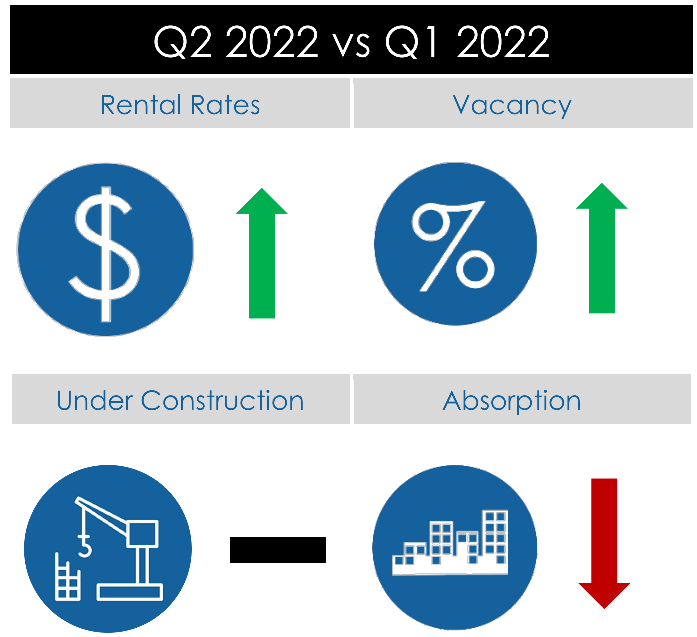
Northwest Near | Q2 2022

Market Insights:

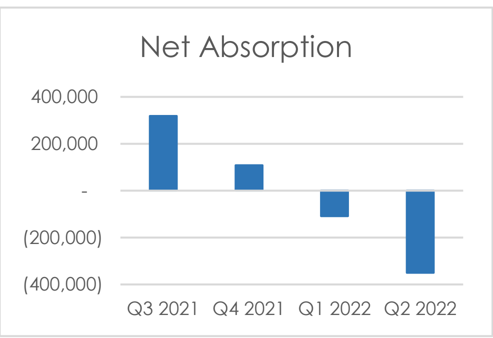
The Northwest Near Submarket ended the second quarter of 2022 with a vacancy rate of 5.62%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -388,458 SF at the end of Q2 2022.

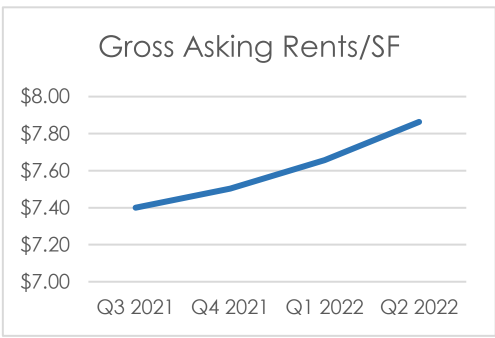
Rental rates ended the second quarter at $7.86/SF across all classes, increasing from $7.66/SF in the previous quarter. 12-month new construction deliveries are at 21,582 SF, and there is currently no new construction in the submarket.

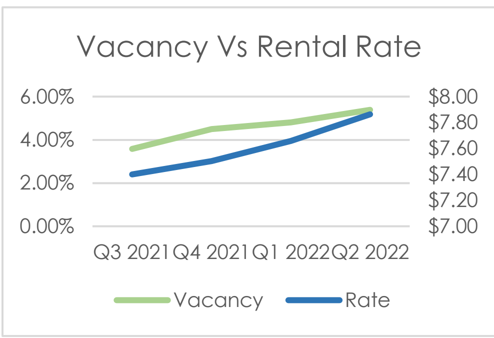
Northwest Near commercial sale prices ended the second quarter of 2022 at $95/SF, increasing from $91/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northwest Near	20,463,515 SF	1,415,871 SF	5.62%	-388,458 SF	21,582 SF	0 SF	$7.86/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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CBD-NW Inner Loop | Q2 2022

Market Insights:

The CBD-NW Inner Loop Submarket ended the second quarter of 2022 with a vacancy rate of 2.61%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 32,807 SF at the end of Q2 2022.

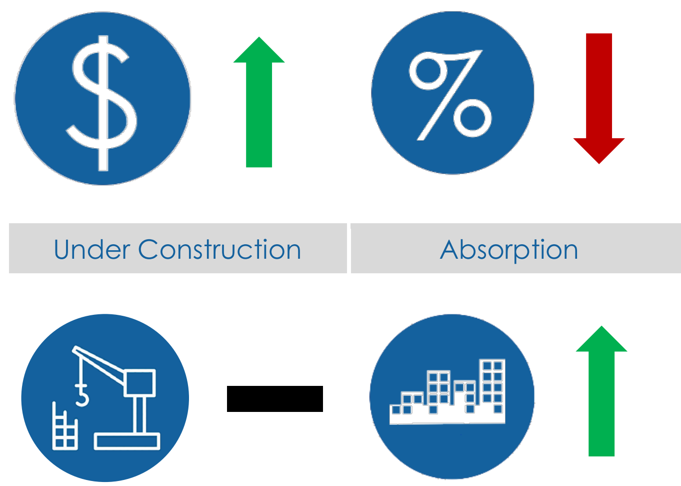
Rental rates ended the second quarter at $9.08/SF across all classes, increasing from $8.91/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

CBD-NW Inner Loop commercial sale prices ended the second quarter of 2022 at $99/SF, increasing from $96/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

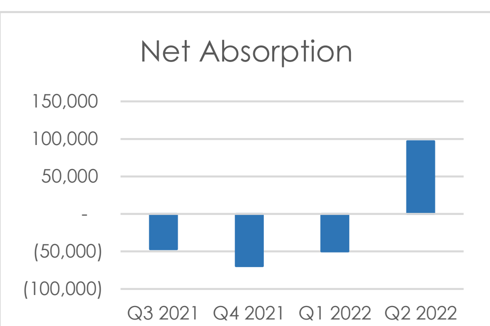
Q2 2022 vs Q1 2022

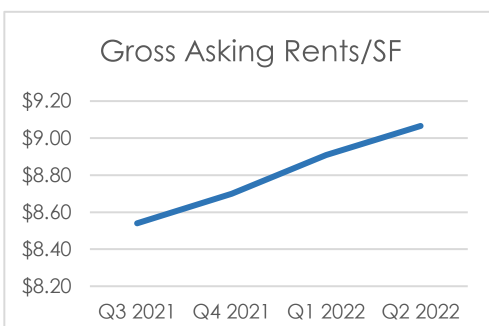
Rental Rates | Vacancy

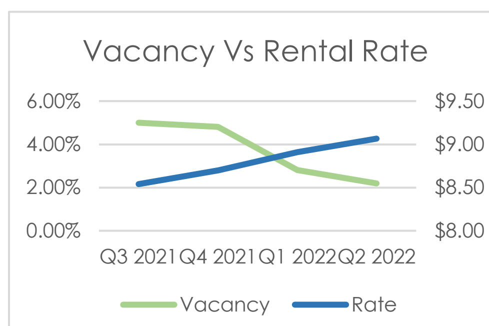
Under Construction | Absorption



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
CBD-NW Inner Loop	12,581,884 SF	545,173 SF	2.61%	32,807 SF	0 SF	0 SF	$9.08/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Southwest Inner Loop | Q2 2022

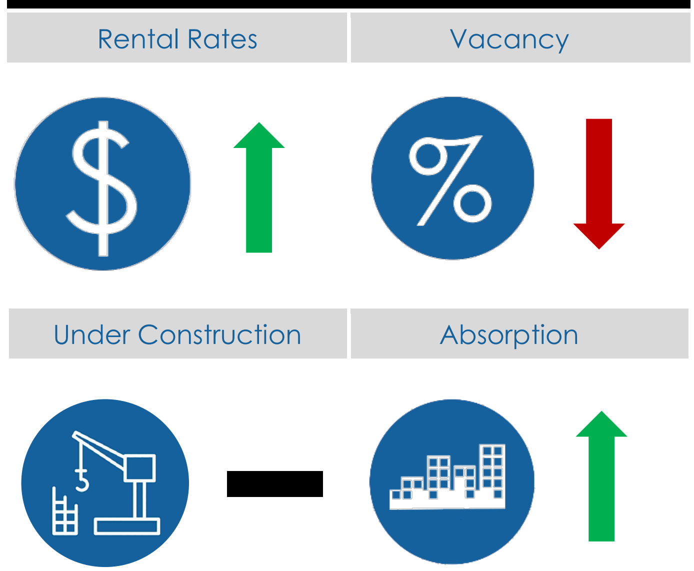
Market Insights:

The Southwest Inner Loop Submarket ended the second quarter of 2022 with a vacancy rate of 8.78%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 48,042 SF at the end of Q2 2022.

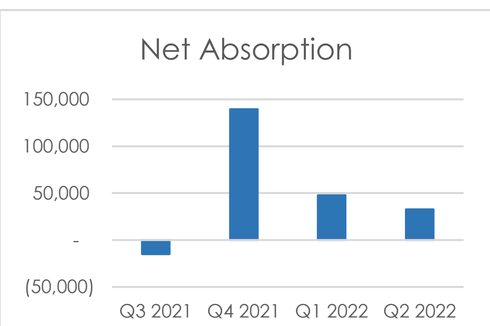
Rental rates ended the second quarter at $10.49/SF across all classes, increasing from $10.23/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently 159,085 SF under construction in the submarket.

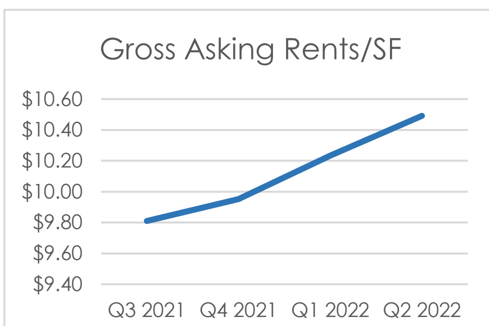
Southwest Inner Loop commercial sale prices ended the second quarter of 2022 at $116/SF, increasing from $110/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

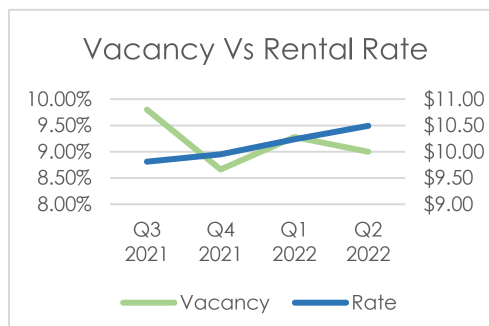
Q2 2022 vs Q1 2022



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Southwest Inner Loop	6,758,303 SF	494,505 SF	8.78%	48,042 SF	0 SF	159,085 SF	$10.49/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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North Inner Loop | Q2 2022

Market Insights:

The North Inner Loop Submarket ended the second quarter of 2022 with a vacancy rate of 2.83%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 61,126 SF at the end of Q2 2022.

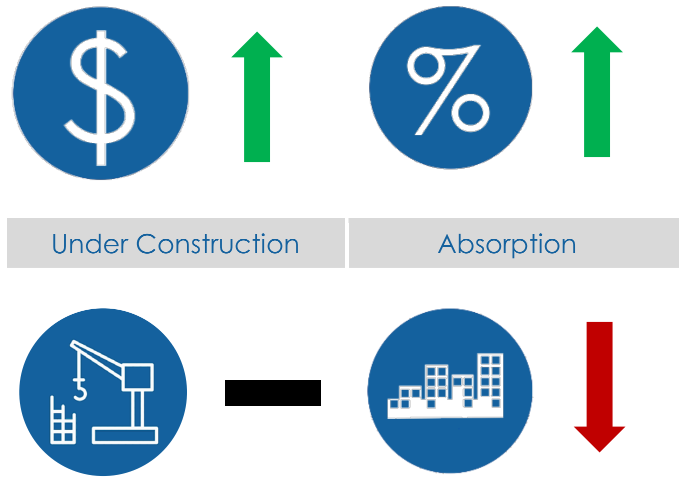
Rental rates ended the second quarter at $6.29/SF across all classes, increasing from $6.12/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

North Inner Loop commercial sale prices ended the second quarter of 2022 at $75/SF, increasing from $82/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

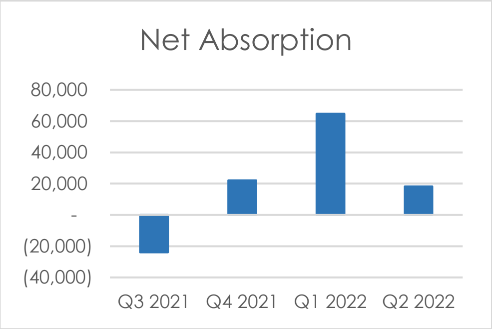
Q2 2022 vs Q1 2022

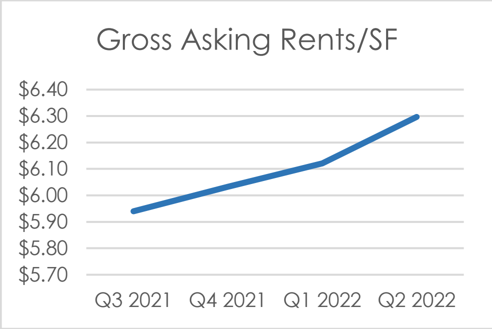
Rental Rates	Vacancy

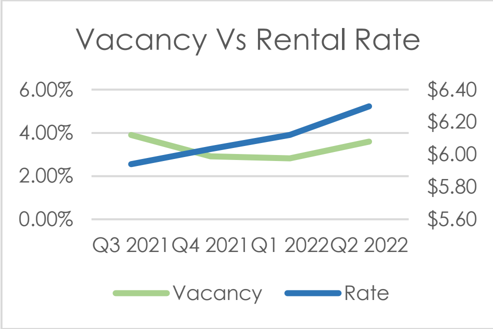
Under Construction	Absorption



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
North Inner Loop	5,534,837 SF	465,424 SF	2.83%	61,126 SF	0 SF	0 SF	$6.29/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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MARKET BEAT

INDUSTRIAL SUBMARKET REPORT

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Downtown Houston | Q2 2022

Market Insights:

The Downtown Houston Submarket ended the second quarter of 2022 with a vacancy rate of 5.09%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 202,042 SF at the end of Q2 2022.

Rental rates ended the second quarter at $6.29/SF across all classes, increasing from $6.09/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

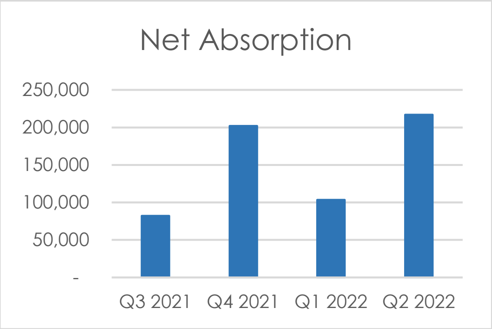
Downtown Houston commercial sale prices ended the second quarter of 2022 at $72/SF, increasing from $68/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

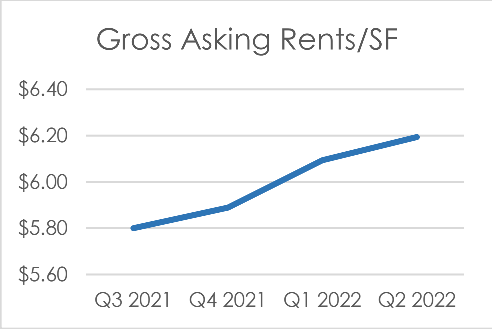
Q2 2022 vs Q1 2022

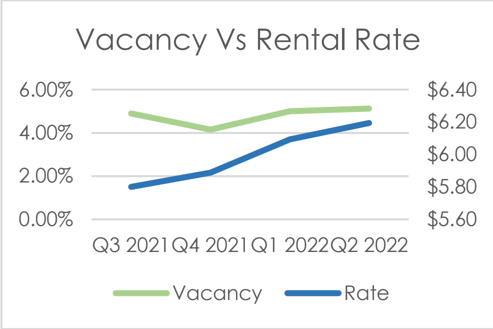
Rental Rates | Vacancy

Under Construction | Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Downtown Houston	31,656,674 SF	2,858,281 SF	5.09%	202,042 SF	0 SF	0 SF	$6.29/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Northeast Inner Loop | Q2 2022

Market Insights:

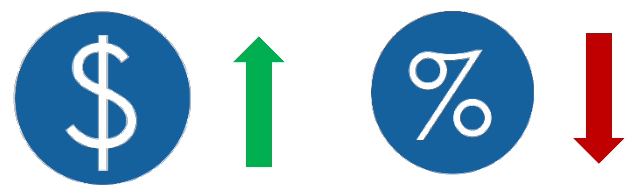
The Northeast Inner Loop Submarket ended the second quarter of 2022 with a vacancy rate of 3.67%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 291,346 SF at the end of Q2 2022.

Rental rates ended the second quarter at $5.81/SF across all classes, increasing from $5.74/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

Northeast Inner Loop commercial sale prices ended the second quarter of 2022 at $75/SF, increasing from $72/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

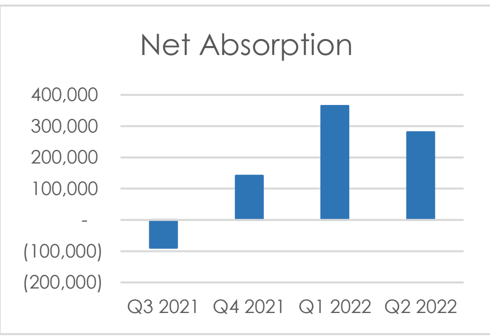
Q2 2022 vs Q1 2022

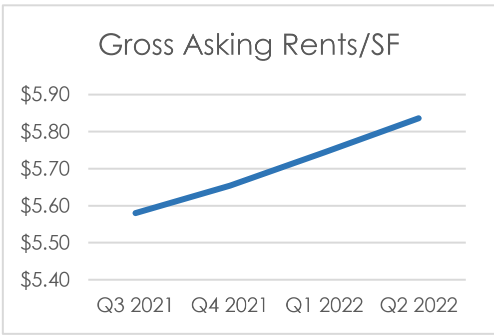
Rental Rates	Vacancy

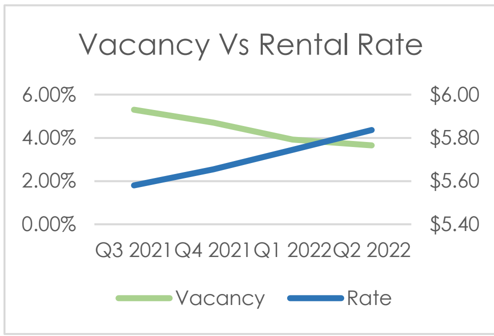


Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northeast Inner Loop	13,051,881 SF	306,980 SF	3.67%	291,346 SF	0 SF	0 SF	$5.81/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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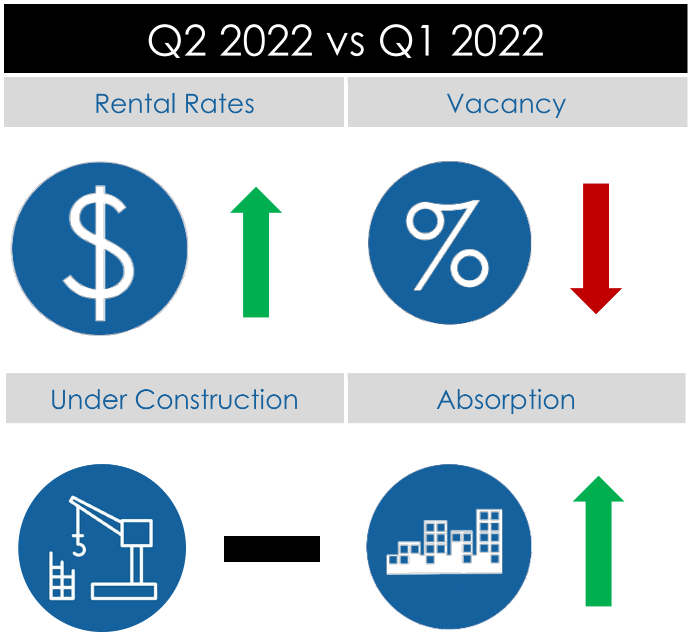
South Inner Loop | Q2 2022

Market Insights:

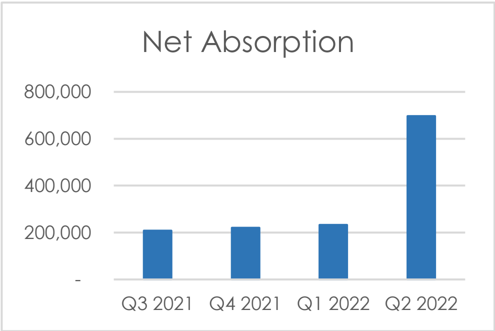
The South Inner Loop Submarket ended the second quarter of 2022 with a vacancy rate of 5.08%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 375,203 SF at the end of Q2 2022.

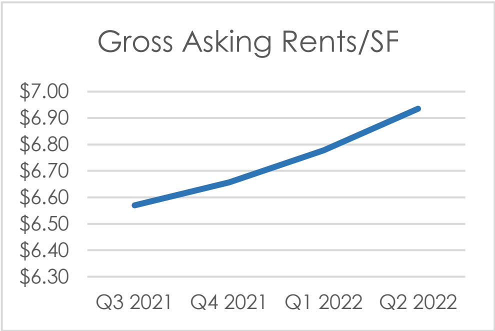
Rental rates ended the second quarter at $6.92/SF across all classes, increasing from $6.78/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently 2,600 SF under construction in the submarket.

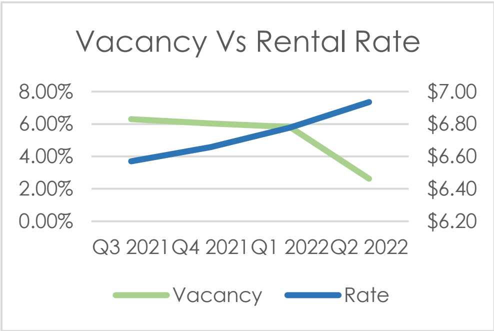
South Inner Loop commercial sale prices ended the second quarter of 2022 at $84/SF, increasing from $80/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
South Inner Loop	12,819,874 SF	322,163 SF	5.08%	375,203 SF	0 SF	2,600 SF	$6.92/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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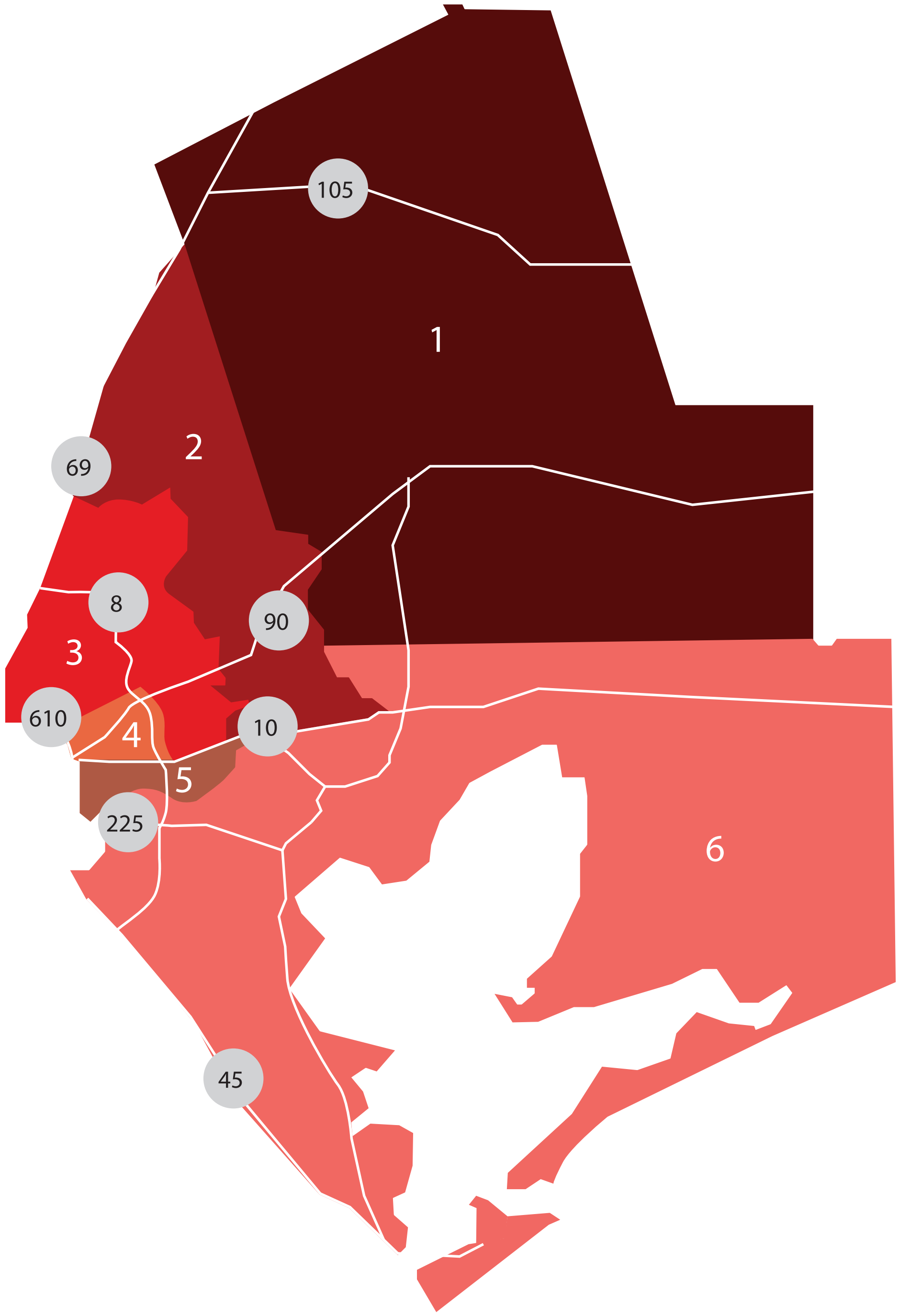
East Houston Industrial Market Overview



Legend

- 1 - Liberty County
- 2 - Northeast Highway 321
- 3 - Northeast Highway 90
- 4 - Northeast I-10
- 5 - East I-10 Outer Loop
- 6 - East / Southeast Far

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INDUSTRIAL SUBMARKET REPORT

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Liberty County | Q2 2022

Market Insights:

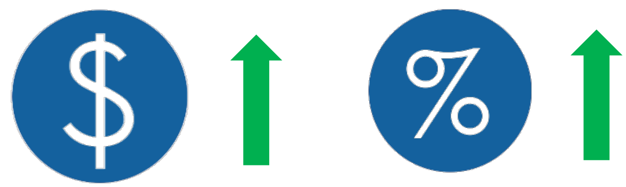
The Liberty County Submarket ended the second quarter of 2022 with a vacancy rate of 4.41%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is -56,296 SF at the end of Q2 2022.

Rental rates ended the second quarter at $7.85/SF across all classes, increasing from $7.55/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

Liberty County commercial sale prices ended the second quarter of 2022 at $101/SF, increasing from $96/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

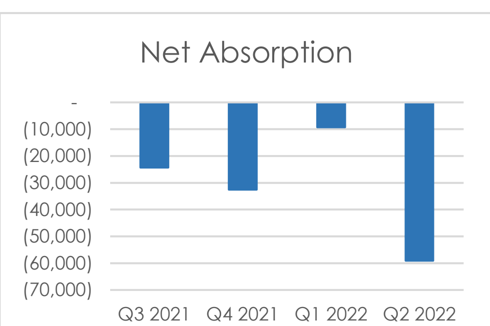
Q2 2022 vs Q1 2022

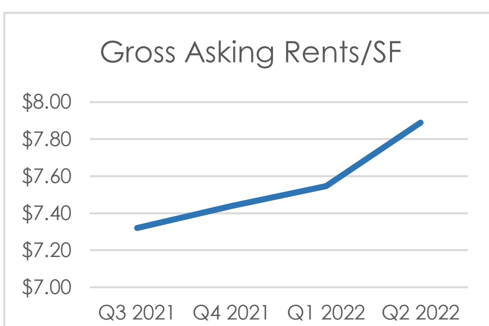
Rental Rates | Vacancy

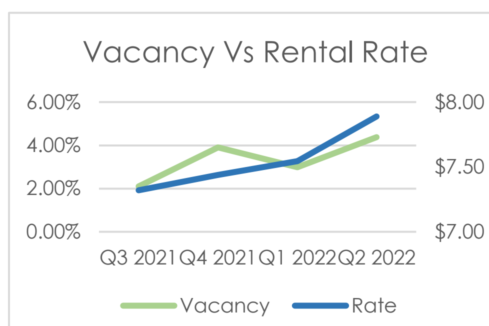


Under Construction | Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Liberty County	2,113,891 SF	115,249 SF	4.41%	-56,296 SF	0 SF	0 SF	$7.85/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Northeast Highway 321 | Q2 2022

Market Insights:

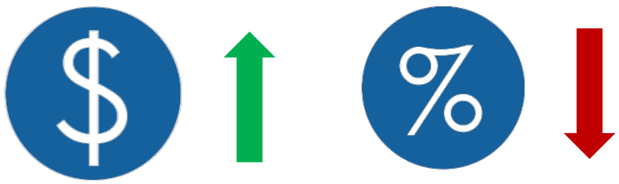
The Northeast Highway 321 Submarket ended the second quarter of 2022 with a vacancy rate of 2.32%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 117,835 SF at the end of Q2 2022.

Rental rates ended the second quarter at $10.05/SF across all classes, increasing from $9.87/SF in the previous quarter. 12-month new construction deliveries are at 141,360 SF, and there is currently 277,235 SF under construction in the submarket.

Northeast Highway 321 commercial sale prices ended the second quarter of 2022 at $106/SF, increasing from $103/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

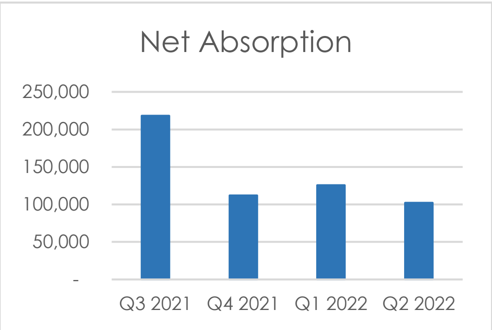
Q2 2022 vs Q1 2022

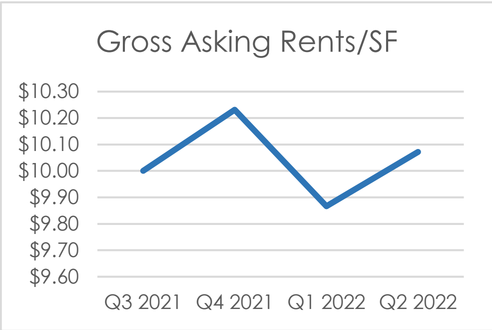
Rental Rates | Vacancy

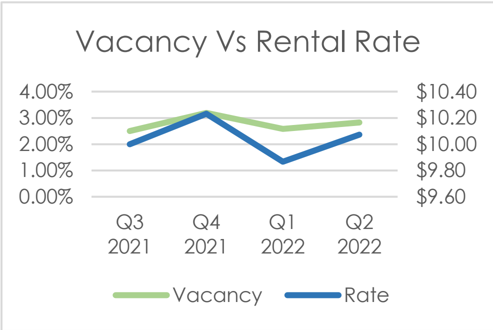


Under Construction | Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northeast Highway 321	2,555,041 SF	304,944 SF	2.32%	117,835 SF	141,360 SF	277,235 SF	$10.05/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Northeast Highway 90 | Q2 2022

Market Insights:

The Northeast Highway 90 Submarket ended the second quarter of 2022 with a vacancy rate of 6.95%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,850,931 SF at the end of Q2 2022.

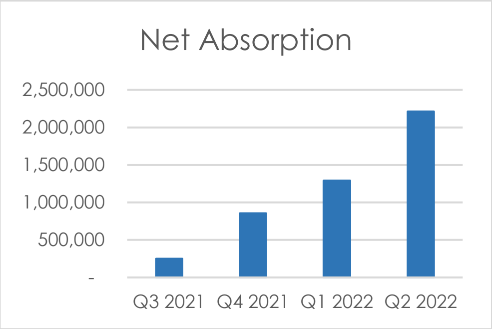
Rental rates ended the second quarter at $8.27/SF across all classes, increasing from $8.08/SF in the previous quarter. 12-month new construction deliveries are at 981,893 SF, and there is currently 310,792 SF under construction in the submarket.

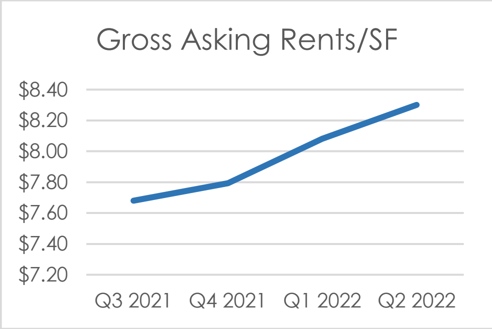
Northeast Highway 90 commercial sale prices ended the second quarter of 2022 at $97/SF, increasing from $95/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

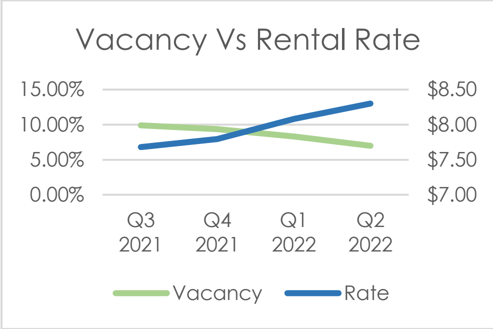
Q2 2022 vs Q1 2022

Rental Rates	Vacancy
Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northeast Highway 90	26,626,759 SF	2,315,463 SF	6.95%	1,850,931 SF	981,893 SF	310,792 SF	$8.27/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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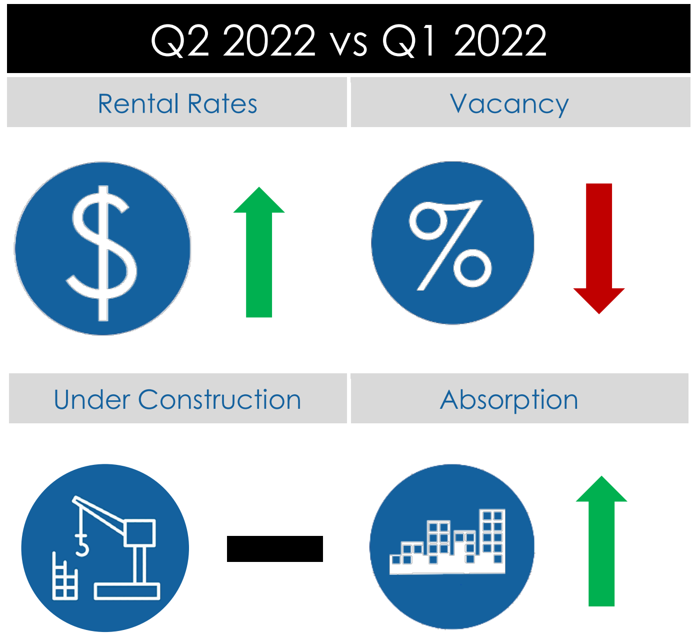
Northeast I-10 | Q2 2022

Market Insights:

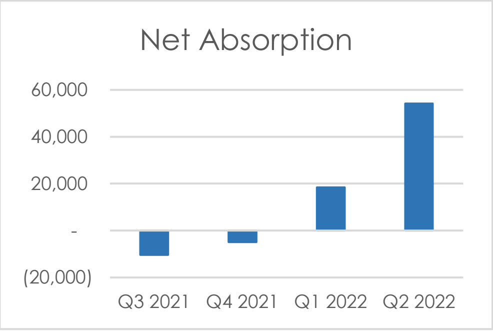
The Northeast I-10 Submarket ended the second quarter of 2022 with a vacancy rate of 2.32%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 45,866 SF at the end of Q2 2022.

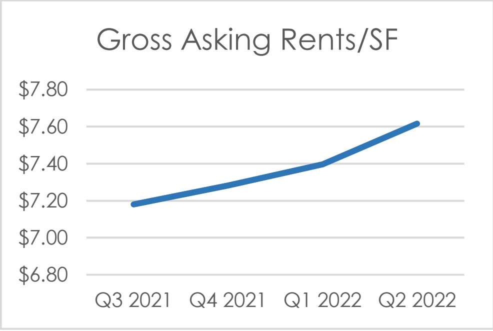
Rental rates ended the second quarter at $7.54/SF across all classes, increasing from $7.40/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently 1,003,003 SF under construction in the submarket.

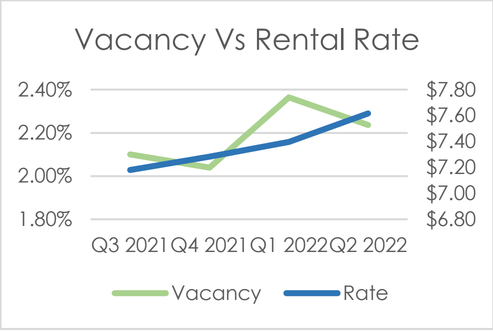
Northeast I-10 commercial sale prices ended the second quarter of 2022 at $99/SF, increasing from $93/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Northeast I-10	4,656,115 SF	418,724 SF	2.32%	45,866 SF	0 SF	1,003,003 SF	$7.54/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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MARKET BEAT

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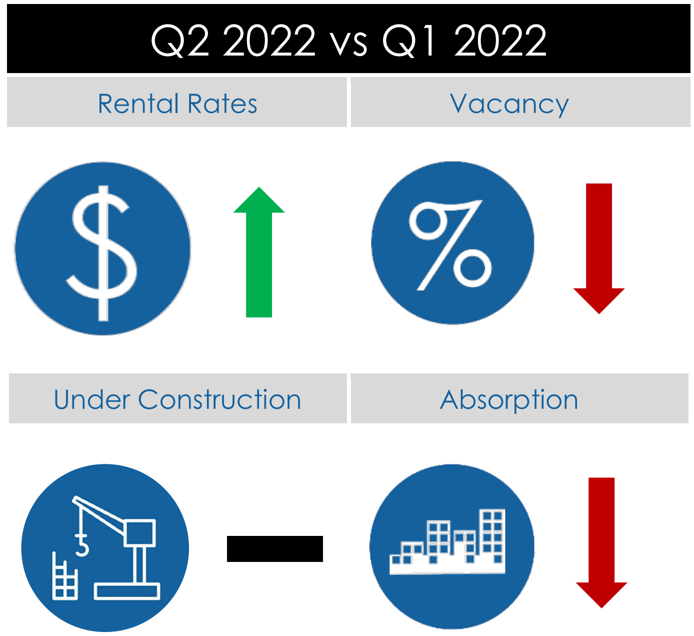
East I-10 Outer Loop | Q2 2022

Market Insights:

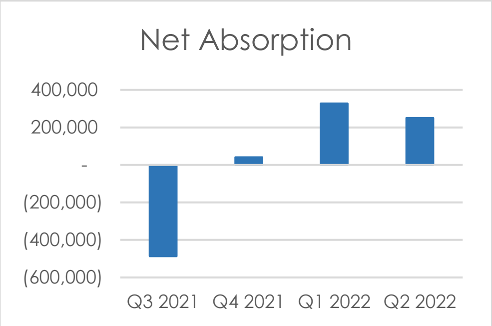
The East I-10 Outer Loop Submarket ended the second quarter of 2022 with a vacancy rate of 4.12%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 263,509 SF at the end of Q2 2022.

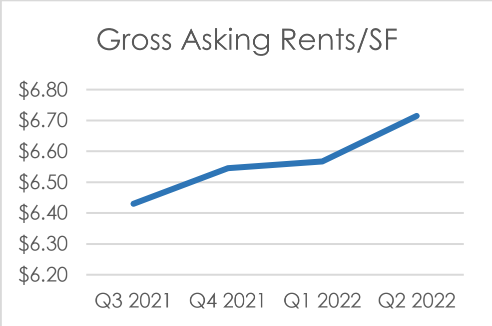
Rental rates ended the second quarter at $6.71/SF across all classes, increasing from $6.57/SF in the previous quarter. There have been no new construction deliveries in the last 12 months, and there is currently no new construction in the submarket.

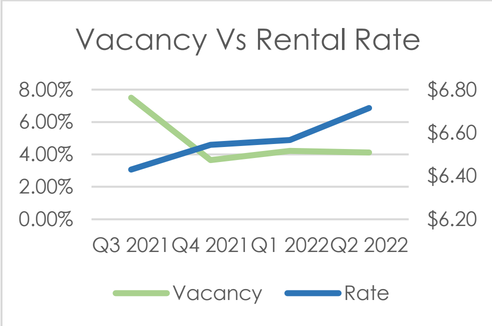
East I-10 Outer Loop commercial sale prices ended the second quarter of 2022 at $86/SF, increasing from $83/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
East I-10 Outer Loop	15,624,469 SF	899,188 SF	4.12%	263,509 SF	0 SF	0 SF	$6.71/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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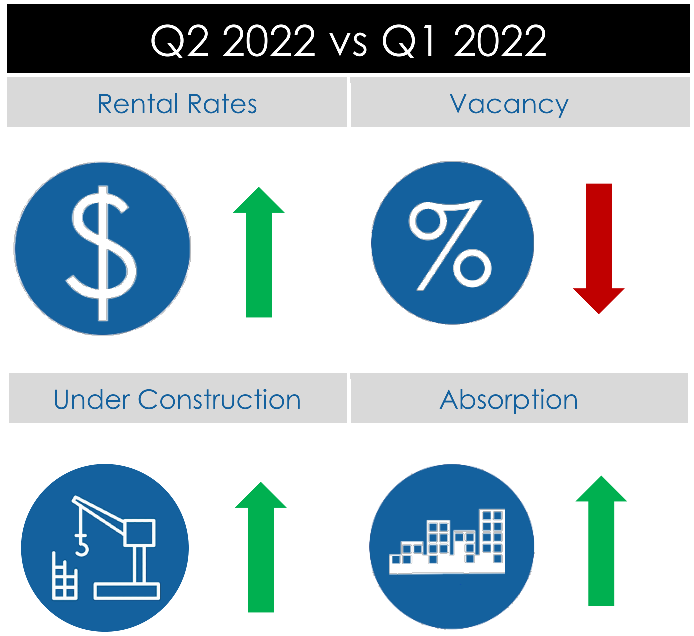
East-Southeast Far | Q2 2022

Market Insights:

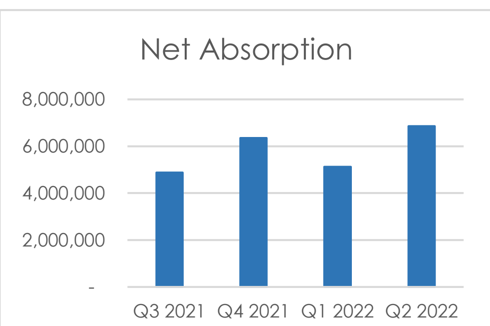
The East-Southeast Far Submarket ended the second quarter of 2022 with a vacancy rate of 6.18%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 6,905,290 SF at the end of Q2 2022.

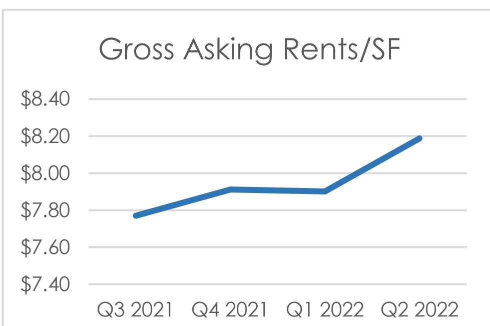
Rental rates ended the second quarter at $8.15/SF across all classes, increasing from $7.90/SF in the previous quarter. 12-month new construction deliveries are at 3,408,561 SF, and there is currently 5,191,781 SF under construction in the submarket.

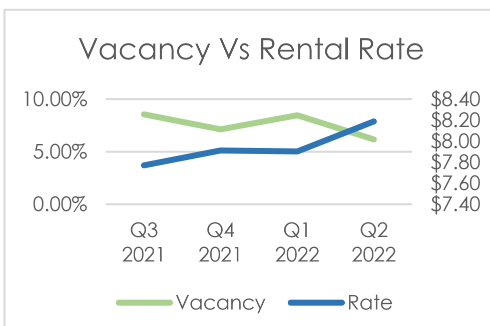
East-Southeast Far commercial sale prices ended the second quarter of 2022 at $100/SF, increasing from $97/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
East-Southeast Far	94,341,424 SF	9,253,007 SF	6.18%	6,905,290 SF	3,408,561 SF	5,191,781 SF	$8.15/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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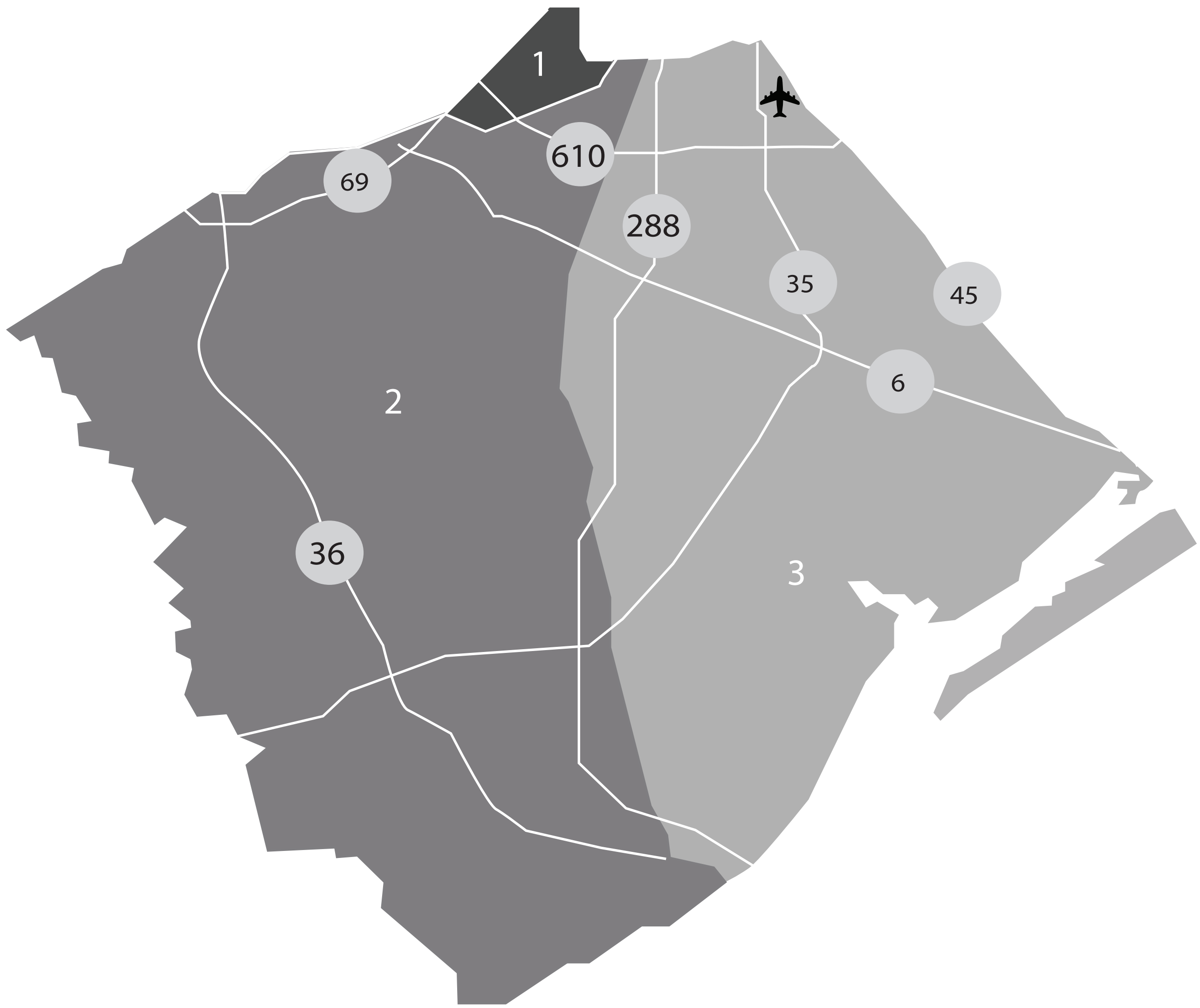
South Houston Industrial Market Overview



Legend

1 - Highway 59 / Highway 90
2 - Southwest Far
3 - South Highway 35

William P. Hobby Airport

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Highway 59 / Highway 90 | Q2 2022

Market Insights:

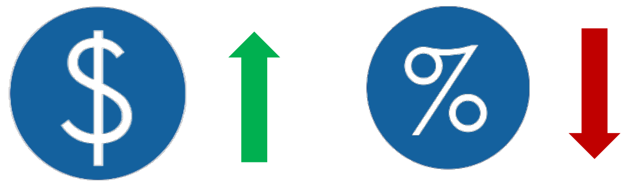
The Highway 59 / Highway 90 Submarket ended the second quarter of 2022 with a vacancy rate of 7.02%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,114,109 SF at the end of Q2 2022.

Rental rates ended the second quarter at $8.55/SF across all classes, increasing from $8.33/SF in the previous quarter. 12-month new construction deliveries are at 847,759 SF, and there is currently 540,124 SF under construction in the submarket.

Highway 59 / Highway 90 commercial sale prices ended the second quarter of 2022 at $110/SF, increasing from $107/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

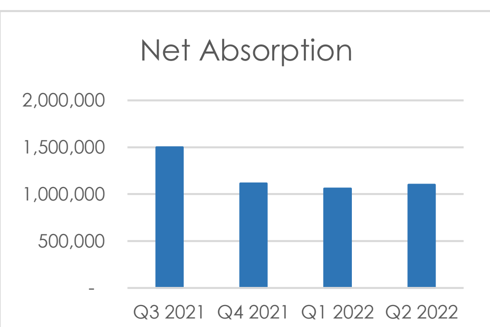
Q2 2022 vs Q1 2022

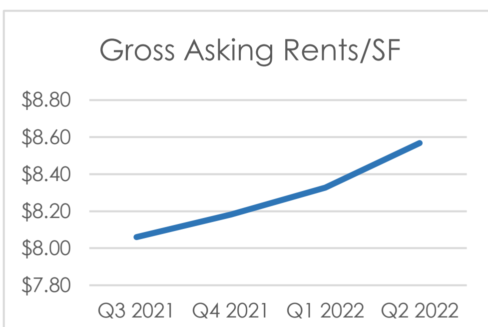
Rental Rates	Vacancy

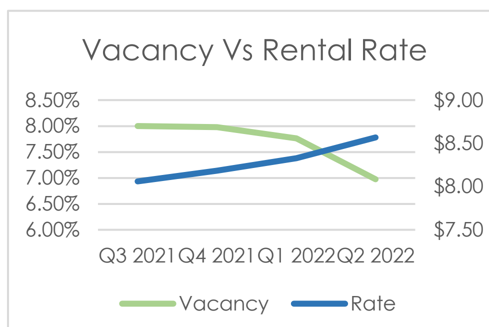


Under Construction	Absorption

	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Highway 59 / Highway 90	29,648,495 SF	2,224,527 SF	7.02%	1,114,109 SF	847,759 SF	540,124 SF	$8.55/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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Southwest Far | Q2 2022

Market Insights:

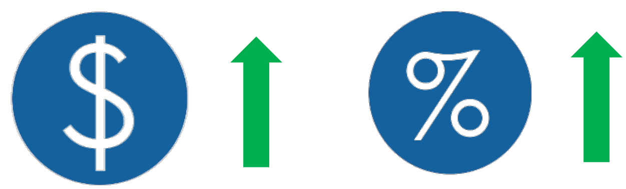
The Southwest Far Submarket ended the second quarter of 2022 with a vacancy rate of 10.92%. The vacancy rate increased from the previous quarter, and the net absorption rate over the last 12 months is 2,005,725 SF at the end of Q2 2022.

Rental rates ended the second quarter at $8.66/SF across all classes, increasing from $8.53/SF in the previous quarter. 12-month new construction deliveries are at 2,612,220 SF, and there is currently 397,128 SF under construction in the submarket.

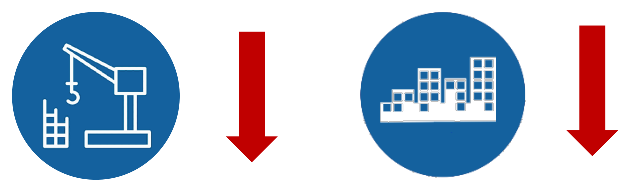
Southwest Far commercial sale prices ended the second quarter of 2022 at $112/SF, increasing from $108/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.

Q2 2022 vs Q1 2022

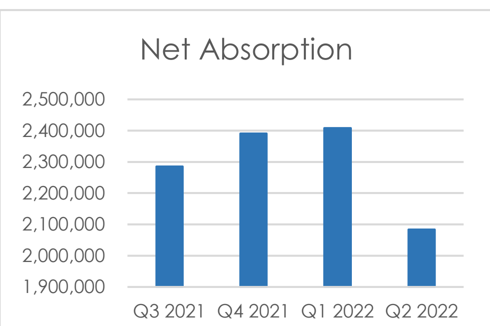
Rental Rates | Vacancy

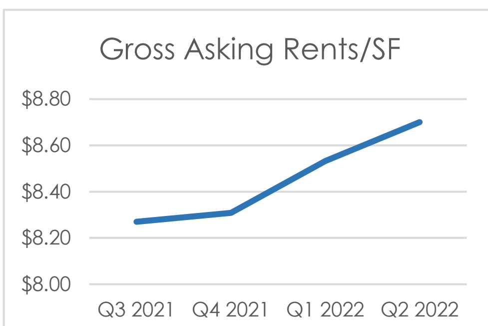


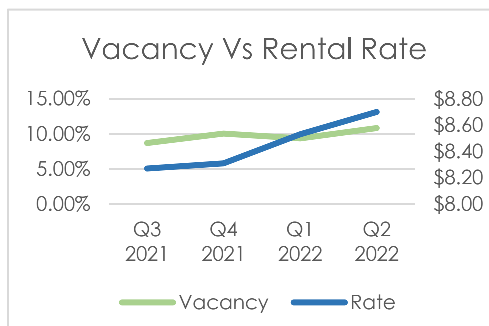
Under Construction | Absorption



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
Southwest Far	22,663,581 SF	3,053,691 SF	10.92%	2,005,725 SF	2,612,220 SF	397,128 SF	$8.66/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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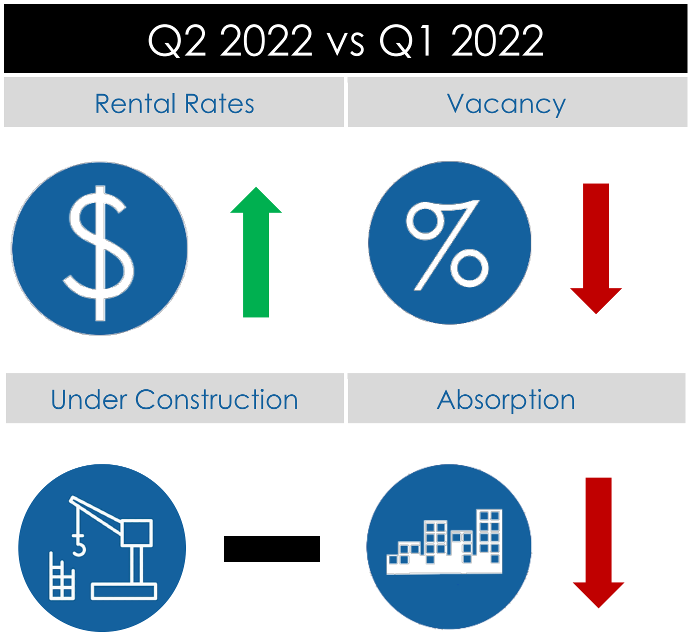
South Highway 35 | Q2 2022

Market Insights:

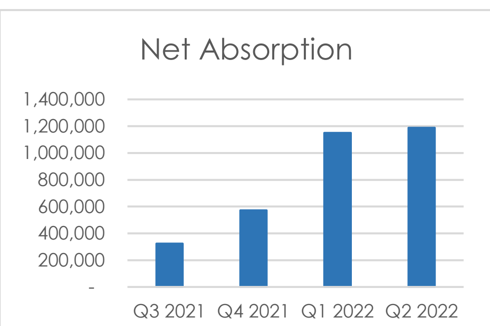
The South Highway 35 Submarket ended the second quarter of 2022 with a vacancy rate of 2.91%. The vacancy rate decreased from the previous quarter, and the net absorption rate over the last 12 months is 1,089,508 SF at the end of Q2 2022.

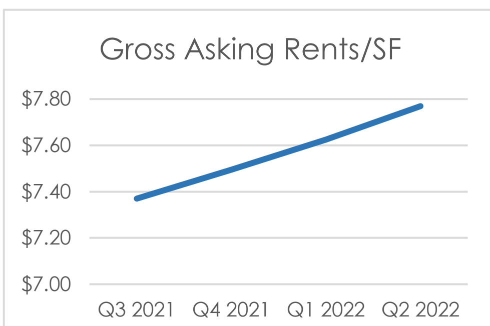
Rental rates ended the second quarter at $7.76/SF across all classes, increasing from $7.63/SF in the previous quarter. 12-month new construction deliveries are at 385,645 SF, and there is currently 91,500 SF under construction in the submarket.

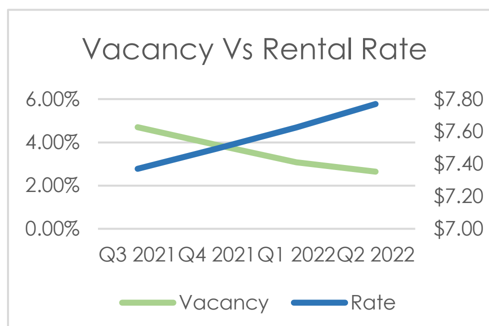
South Highway 35 commercial sale prices ended the second quarter of 2022 at $93/SF, increasing from $89/SF in the previous quarter. The average commercial sale price in DFW is $98.28/SF, and overall cap rates are 6.38%.



	Inventory	Total Available SF	Vacancy Rate	12-Month Net Absorption	12-Month Deliveries	Under Construction	Rates - All Classes
South Highway 35	43,664,143 SF	1,829,964 SF	2.91%	1,089,508 SF	385,645 SF	91,500 SF	$7.76/SF
Houston Total	742,577,312 SF	58,939,129 SF	5.45%	81,426,910 SF	23,599,732 SF	21,719,292 SF	$8.20/SF







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