



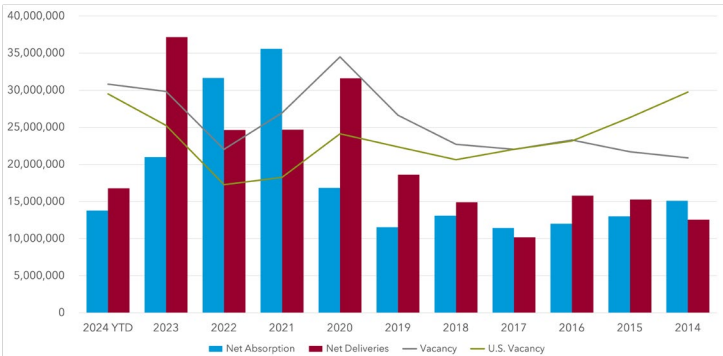
INDUSTRIAL MARKET OVERVIEW

THOMAS LEGER, *Principal*

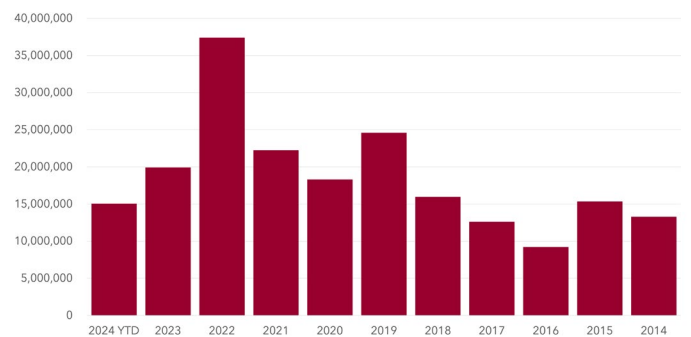
The Houston (MSA) experienced steady growth driven by its strategic location and a resurgence in key sectors like O&G, MFG, and construction. The city's proximity to the Port of Houston, one of the busiest ports in the U.S., continues to anchor its role as a vital logistics and distribution hub. Demand for industrial real estate remained robust, fueled by increased activity in e-commerce, infrastructure projects, energy-related industries and 3PLs. Companies are increasingly seeking modern logistics spaces to accommodate technological advancements in automation and sustainability. This demand is reflected in high leasing activity, particularly for class A warehouse and distribution facilities close to transportation corridors.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	18,403,530	19,420,600	17,911,451	20,980,716	23,984,950
▼ Vacancy Rate	6.9%	7.3%	7.0%	6.7%	6.4%
▲ Avg NNN Asking Rate PSF	\$8.96	\$8.95	\$8.94	\$8.92	\$8.83
▲ Sale Price PSF	\$96.00	\$95.00	\$95.00	\$96.00	\$95.00
◀▶ Cap Rate	7.9%	7.9%	7.8%	7.7%	7.6%
▲ Under Construction SF	15,055,405	12,490,332	16,604,245	19,924,778	24,600,493
▲ Inventory SF	832,863,857	829,856,268	822,265,985	816,083,837	808,606,119

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
0 West Highway 146 Dayton, TX	1,407,511 SF	\$6,052,296 \$4.30 PSF	GPL Developments LLC CMC Railroad LLC	Class A
6363 FM 1405 Road Baytown, TX	1,211,620 SF	Undisclosed	Northwood Investors TGS Trans Global Solutions, Inc.	Class A
McKay Center Drive, Bldgs. 1-3 Humble, TX	418,338 SF	Undisclosed	Undisclosed Affinius Capital	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1201 Conroe Park Drive West Conroe, TX	1,224,498 SF	CLF II LI Conroe Owner LLC	Broadrange Logistics	General Warehousing and Storage
28119 Katy Freeway, Bldg. 2 Katy, TX	509,975 SF	Sealy IDV Ansera LLC	LeCangs	Process, Physical Dist, and Logistics Cnsltg
4838 Borusan Road, Bldg. 1 Baytown, TX	432,316 SF	Cedar Crossing Development CO LLC	Gulf Coast Crating, Inc.	Packing and Crating

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