HOUSTON INDUSTRIAL OVERVIEW

CBRE

PREPARED FOR

Trammell Crow Company

SAS
SOUTH ATLANTIC SERVICES, INC.

JULY 2022

AGENDA

HOUSTON

INDUSTRIAL AGENCY

Leasing Services

Benefits

01

LEVERAGING

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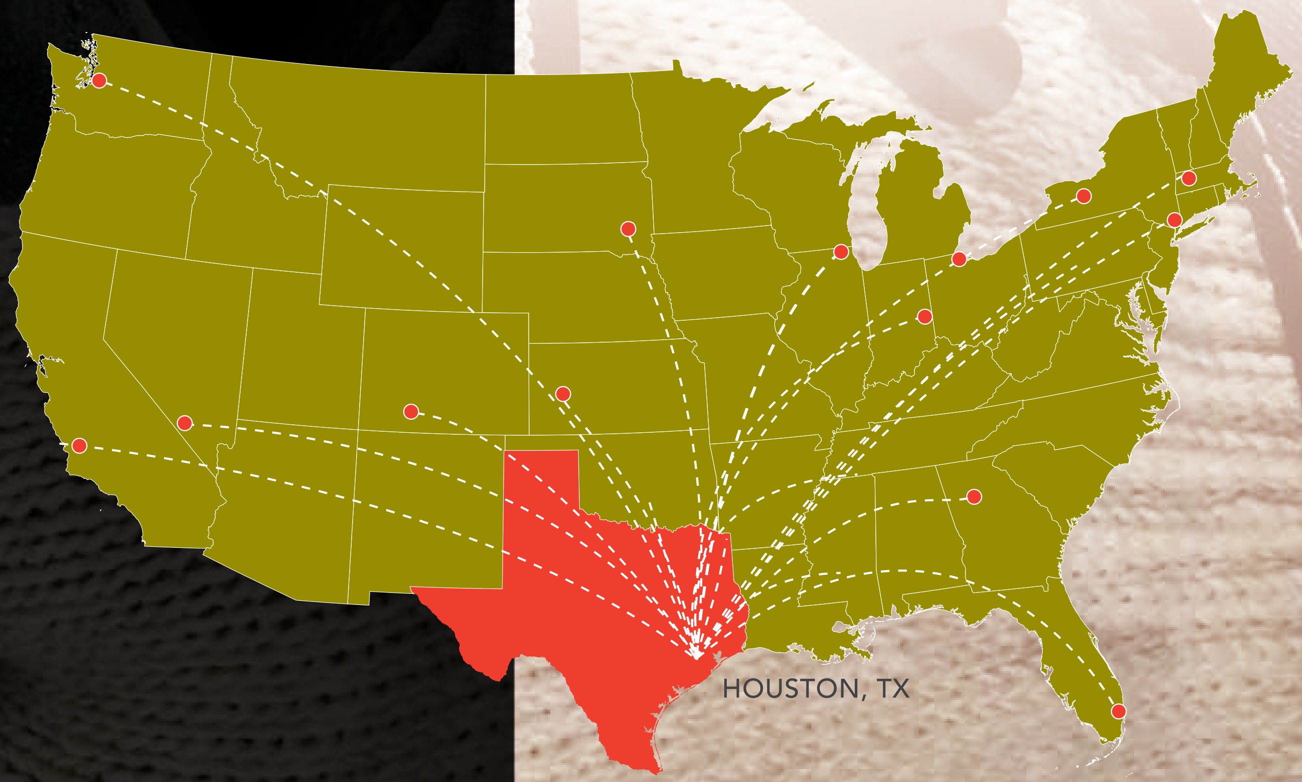

Houston Industrial Powerhouse

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NATIONAL PARTNERS

The Team

26 Production partners located in the most strategic markets across the US, exclusively focused on industrial & logistics and fully integrated within CBRE's global platform

26 Investment Sales Professionals

55 Dedicated Support Team Members

12 Debt & Structured Finance Members

3 Industrial Research Professionals

CBRE

Client Relationships

OIL & GAS/CHEMICAL

- ChampionX Artificial Lift
- APEX AgChem
- BASF The Chemical Company
- Bechtel
- EagleClaw Midstream
- McDermott
- CIMA Energy Solutions
- wood.
- Coastal Chemical Co. A Brenntag Company
- Cougar Drilling Solutions
- Energy Engineering
- ExxonMobil
- TechnipFMC
- Forum Energy Technologies
- G2X Energy
- GE Oil & Gas
- genesisenergy
- Legacy Directional
- Lummus Technology
- lyondellbasell Advancing Possible
- Magellan Midstream Partners, L.P.
- NOV National Oilwell Varco
- noble energy
- Oceaneering
- Valaris
- Shaw Pipeline Services
- ShawCor
- Spectra Energy
- Tetra
- Chemours
- Dow
- Volant
- PES
- Weatherford
- Tenaris
- Calumet Specialty Products Partners, L.P.
- EthosEnergy
- Univar Solutions
- DuPont

3PL, AGRICULTURE, DELIVERY & LOGISTICS

- Performance Team
- Schneider
- Neovia Living, breathing logistics
- Mallory Alexander International Logistics
- exel
- DHL
- XPO Logistics
- syncreon supply chain synergy
- DB Schenker
- Nippon Express
- Hub Group
- Yusen Logistics
- Cardinal Dedicated | Delivery | Logistics
- APL Logistics
- UPS
- AGCO
- Kuehne+Nagel
- Geodis
- J.B. Hunt
- Ryder Ever better.
- Penske
- FedEx
- Veritiv
- Jabil
- Reckitt Benckiser
- NFI
- RBW Logistics
- Braun's Express
- TRM Services
- Turn14 Distribution
- AA Logistics LLC
- Cargill
- Bayer
- Dow AgroSciences
- Hormel Foods
- Georgia-Pacific
- McLane

CBRE

Client Relationships

E-COMMERCE, FOOD & BEVERAGE

- C&S Wholesale Grocers
- The Home Depot
- BSG
- Coca-Cola Southwest Beverages
- Dreyer's
- Del Monte Quality
- Vitality
- Diversified Foodservice Supply, LLC
- FritoLay Good fun!
- Herbalife Nutrition
- Nestlé Waters North America
- victory wine group
- wayfair
- Lowe's
- Louisiana Foods Global Seafood Source
- Nuestro Rio Grande Foods
- PEPSICO
- BIMBO Bakeries USA

HEALTHCARE

- Educare Community Living — A ResCare Community Living Agency
- McKESSON
- PharMerica
- MTM
- Air Liquide Healthcare
- PSS World Medical
- Remedi SeniorCare

INDUSTRIAL DEAL STATS

Houston 2018-2021

INDUSTRIAL LOB	2018	2019	2020	2021	TOTALS
NUMBER OF INBOUND OPPORTUNITIES	50	79	66	64	259
NUMBER OF LEASE TRANSACTIONS	130	163	159	208	660
VALUE OF LEASE TRANSACTIONS	$305,196,522	$366,512,078	$425,206,744	$554,222,472	$1.65 B
SF OF LEASE TRANSACTIONS	12,404,558 SF	8,365,454 SF	9,423,711 SF	13,836,277 SF	44 MSF
NUMBER OF SALE TRANSACTIONS	31	43	38	53	165
VALUE OF SALE TRANSACTIONS	$397,642,202	$625,780,347	$279,842,651	$434,578,145	$1.74 B
SF OF SALE TRANSACTIONS	4,532,446 SF	13,687,796 SF	4,840,805 SF	8,848,296 SF	31.9 MSF

TEAM

Relative Experience

GROUND UP DEVELOPMENT SITES	GROUND UP DEVELOPMENT SITES	GROUND UP DEVELOPMENT SITES
Cedar Port Logistics Center	Mesa East Industrial Park	Cedar Port Logistics Center II
57.37 Acres - 1,021,440 SF Buyer: Hunt Southwest	12.29 Acres - 134,454 SF Buyer: Ancorian	14.87 Acres – 233,190 SF Buyer: Triten Real Estate Partners
Port 146	Ley Road Distribution Center	Conroe Industrial Park
11.68 Acres - 140,400 SF Buyer: Clay Development	35.72 Acres - 408,240 SF Buyer: Core 5 Industrial Partners	77.00 Acres – 1,200,000 SF Buyer: Lovett Commercial
Southeast Distribution Center	Parc 59	Northeast Crossing
12.19 Acres - 170,476 SF Buyer: Vigavi	20.23 Acres - 279,500 SF Buyer: Jackson Shaw	27.72 Acres – 400,000 SF Buyer: Jackson Shaw
Bayport North Logistics Center I	59 Logistics Center	Southwest Industrial Development
5.77 Acres - 102,863 SF Buyer: Triten Real Estate Partners	41.14 Acres - 509,600 SF Buyer: Hunt Southwest	62.10 Acres – 837,900 SF Buyer: Confidential
225 Distribution Center	298 Distribution Center	Northwest Industrial Development
11.82 Acres - 152,621 SF Buyer: Avera Companies	25.00 Acres - 295,000 SF Buyer: Brookfield	23.96 Acres – 350,000 SF Buyer: Confidential

INDUSTRIAL AGENCY

Leasing Services

Market Intel

02

TEAM

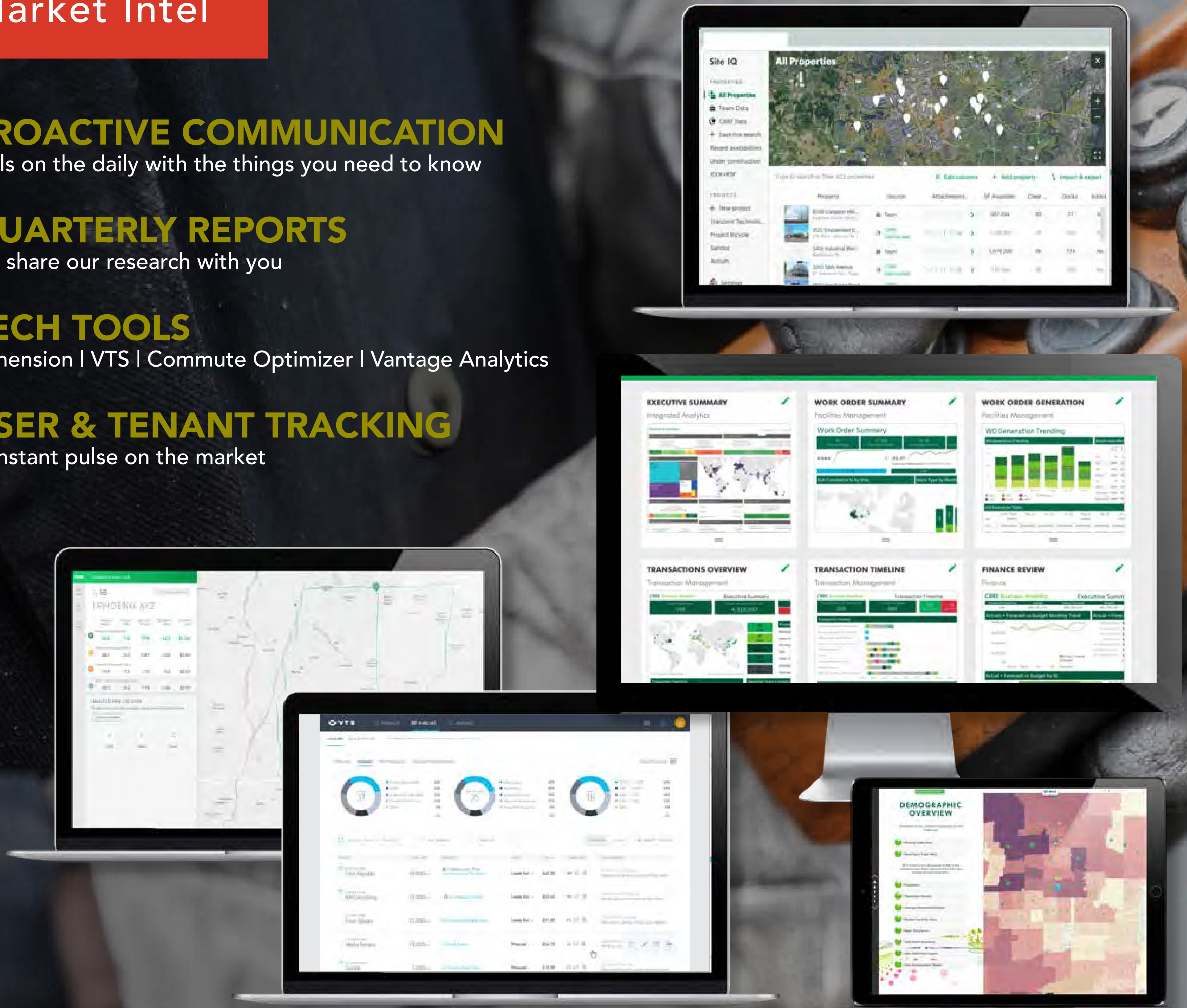
Market Intel

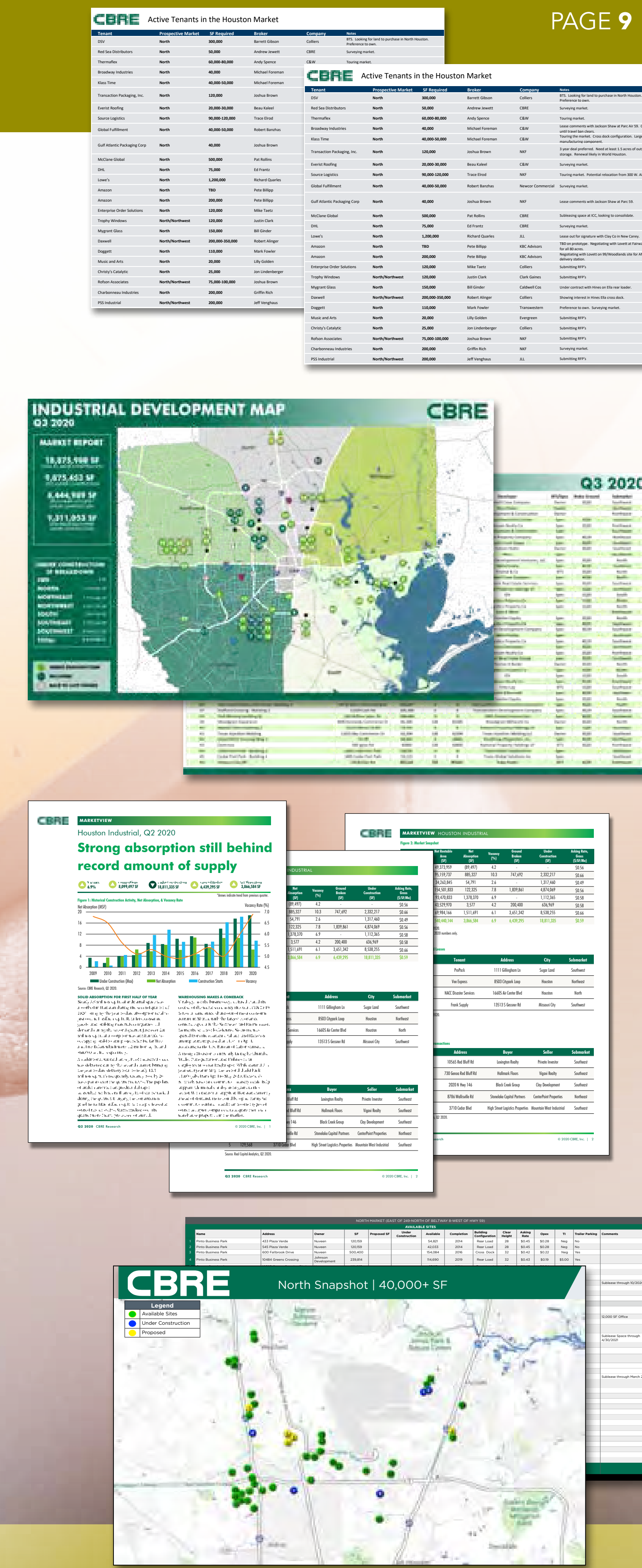
PROACTIVE COMMUNICATION
Calls on the daily with the things you need to know

QUARTERLY REPORTS
We share our research with you

TECH TOOLS
Dimension | VTS | Commute Optimizer | Vantage Analytics

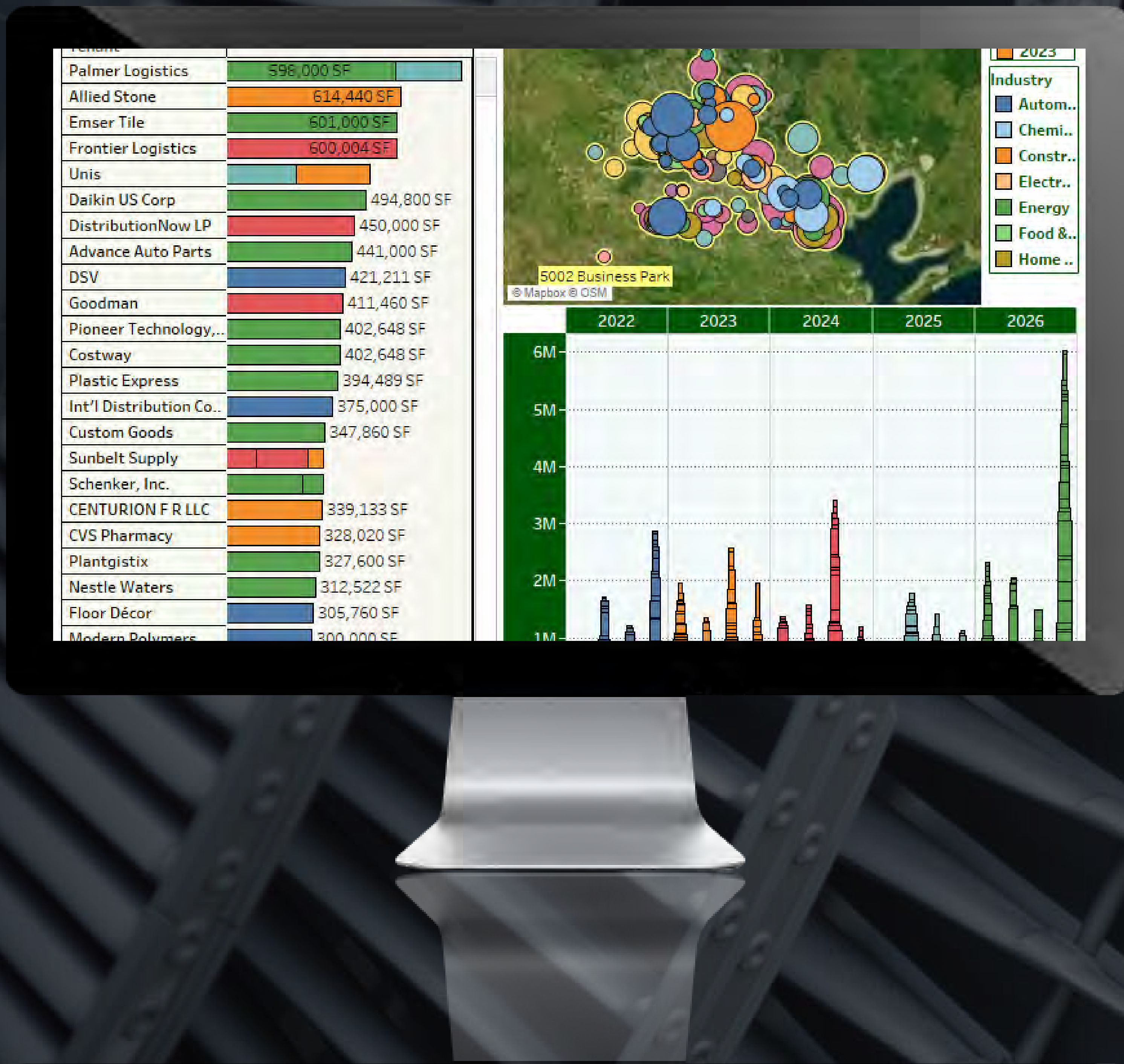
USER & TENANT TRACKING
Constant pulse on the market





CBRE

Industrial Lease Expirations Dashboard



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TENANTS

In the Market

TENANT	SF REQUIRED
Home Depot	1,200,000
Lowe's	1,000,000
Walmart	1,000,000
Michelin Tire	1,000,000
Restoration Hardware	1,000,000
Tesla	1,000,000
Igloo	850,000
Maersk	850,000
CLN Worldwide	600,000
DB Schenker	500,000
Cyclyx	500,000
MSI Surfaces	500,000
Boxco Worldwide	500,000
Parker House Furniture	450,000
Gerber Plumbing	400,000
UPS	350,000
Five Star Holdings	300,000
Premium Waters	300,000
Spyder Auto	300,000
Radial	250,000
Cubeworks	250,000
Adams Warehouse	200,000

TENANT	SF REQUIRED
Centerpoint Energy	200,000
Amware Logistics	200,000
Urban Electric Power	200,000
Dr. Pepper Snapple	200,000
Prince International	180,000
iCargo	150,000
Inteplast	150,000
Raj's Delivery	125,000
Sunday Riley	100,000
Warren Valve	100,000
La-Z-Boy	100,000
Rittal	100,000
Covenant Logistics Group	100,000
CEVA Logistics	100,000
Lonza	100,000
NABCO	100,000
Flexible Packaging	90,000
Schneider Electric	80,000
YongFei	70,000
Herc Rentals	60,000
Baylor Genetics	60,000
Texas XPO	50,000

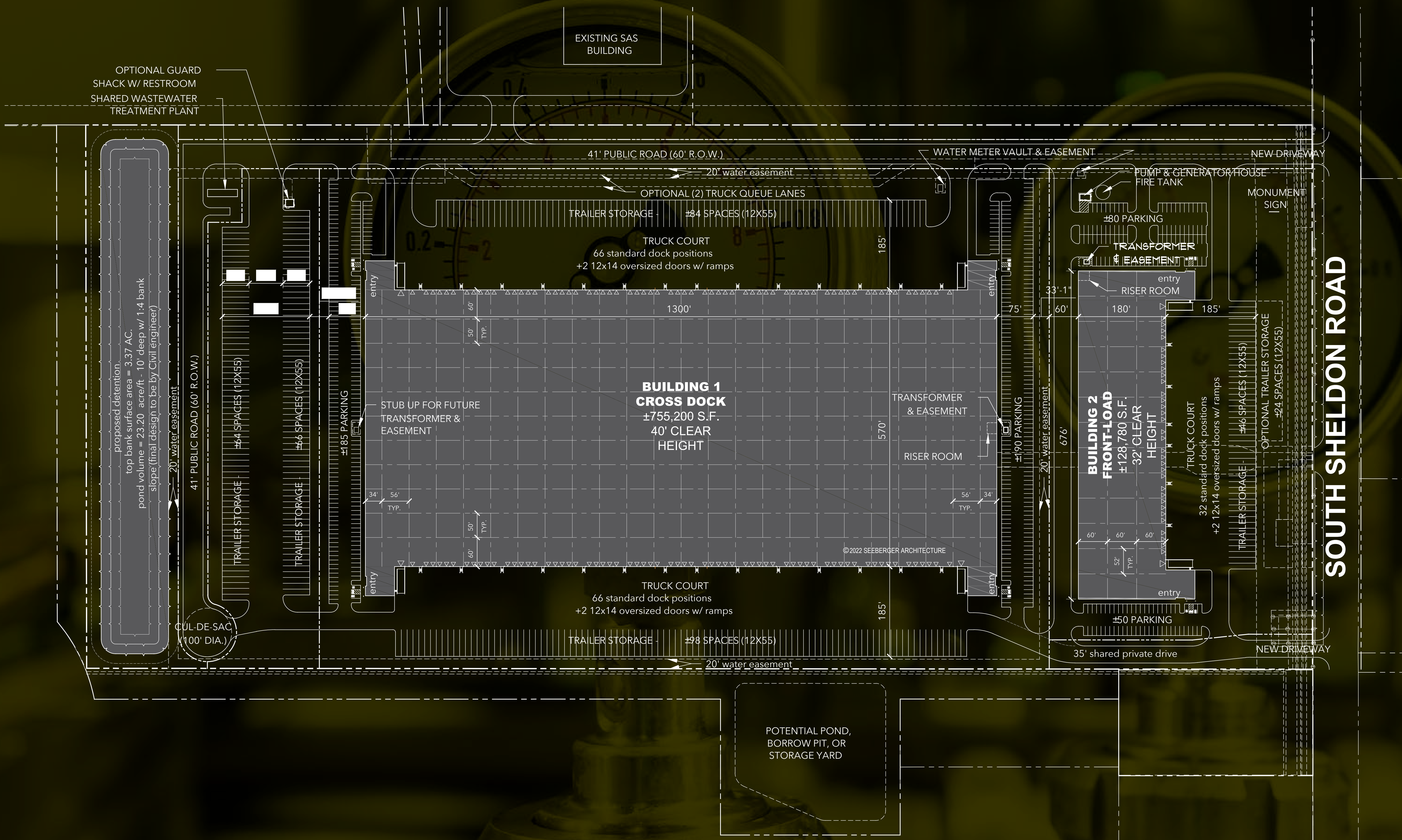
Houston Industrial Lease Transactions

BUILDING	TENANT	SUBMARKET	SF LEASED	OFFICE FINISH	LEASE DATE	LEASE RATE	RENT ESCALATIONS	TI'S	TERM	FREE RENT	CITY	YEAR BUILT	LANDLORD	RAIL-SERVED	CLEAR HEIGHT	COMMENTS
"Bay Area Business Park 9401 Bay Area Blvd"	Industrial Storage Services	SE	120,120	1,716	Q1 2022	$0.40 N	2.5% annually	$1.50	40	4	Pasadena	2008	Principal	No	32'	2nd gen space.
"Prologis Petroport 2 860 Sens Road"	Wholesome Sweetners	SE	101,503	2,641	Q1 2022	$0.44 N	3.00% annually	As-Is	25	1	La Porte	2018	Prologis	No	32'	Space had office and lights in place.
"La Porte Distribution Center 1401 S. 16th Street"	Hawthorne Global Logistics	SE	96,793	3,153	Q2 2022	$0.45 N	3.0% annually	$1.25	74	1	La Porte	2017	Black Creek Group	No	32'	Tenant has beneficial occupancy on January 15 to perform TI and start storing product.
"City Park East 8705 Citypark Loop"	Jaguar Logistics	NE	191,614	5,358	Q1 2022	$0.38 N	3.0% annually	$1.00	63	3	Houston	1980	Centerpoint Properties	Yes	22'	
"Mesa East Industrial Park 6416 Mesa Drive"	J2 Resources	NE	96,885	5,000	Q1 2022	$0.48 N	2.75% annually	$10.00	74	3	Houston	2022	Summit Real Estate Group	No	32'	Rate includes 1.9 acre paved and fenced trailer parking/outside storage yard adjacent to building.
"Bay Area Business Park 9631 Bay Area Blvd"	EFL Global	SE	153,655	n/a	Q1 2022	$0.425 N	3.00% annually	As-Is	88	4	Pasadena	2017	Principal	No	28'	
Cedar Port Industrial Park	Article.com	SE	507,000	n/a	Q1 2023	$0.495 N	2.5% annually	$13.00	144	4	Baytown	2023	TGS	Yes	36'	BTS. Right to purchase after 18 months.
Northpoint 90	Chewy	NE	687,902	n/a	Q3 2022	$0.465 N	2.00% annually	$12.50	131	11 Gross	Houston	2022	Northpoint	No	40'	BTS.
"Market Street Industrial 8550 Market Street"	Buske Logistics	NE	116,173	n/a	Q2 2022	$0.395 N	3.00% annually	$3.00	75	3	Houston	1977	Centerpoint Properties	No	22'	
8000 Market	Metrix Logistics	NE	252,204	n/a	Q2 2022	$0.4368 N	3.00% annually	Make Ready	92	3	Houston	1977	High Street	No	22'	Renewal and expansion.
"Cedar Port Industrial Park 5335 Cedar Port Pkwy"	NFI	SE	341,000	n/a	Q2 2022	$0.42 N	2.75% annually	$6.00	64	4	Baytown	2019	Exeter	Possible	32'	
"Port 10 Logistics Center 2700 East Freeway"	PSC	SE	205,878	1,500	Q2 2022	$0.42 N	3.00% annually	None	62	2	Baytown	2018	Satterfield Pontikes	No	32'	Office and LED lighting in place.
"Houston TradePort 8230 Stedman"	Southern Carlson	NE	121,298	n/a	Q2 2022	$0.40 N	2.5% annually	$7.42	124	4	Houston	2019	Northpoint	No	36'	
"Bayport South Business Park 10591 Red Bluff Road"	Frederick Trucking	SE	295,134	n/a	Q2 2022	$0.45 N	2.75% annually	$3.70	53	see comments	Pasadena	2020	AEW	No	36'	Tenant to occupy 200k SF for 6 months with must take on balance in month 7.
"Park 225 4129 Greenshadow Drive"	Wrist USA	SE	165,864	n/a	Q4 2022	$0.60 N	3.00% annually	$30.00	147	3	Pasadena	2022	IDV	No	32'	
"Monument Business Park 1155 Independence"	Flat World Logistics	SE	103,826	n/a	Q3 2022	$0.46 N	3.00% annually	$9.00	63	3	Houston	2021	Molto Properties	No	32'	
"Generation Park 10100 W Lake Houston Pkwy"	Broadrange Logistics	NE	648,720	n/a	Q3 2022	$0.4167 N	4.00% annually	$1.00	120	1	Houston	2020	Exeter	No	36'	Sale leaseback. TI was in addition to spec office, lights, etc.
"Bayport North Industrial Park 4300 Malone"	Excargo	SE	195,438	5,792	Q2 2022	$0.46 N	3.00% annually	$0.25	37	1	Pasadena	2015	Carson Companies	No	30'	
"Market Street Industrial 8550 Market Street"	MS Warehouse	NE	115,706	n/a	Q3 2022	$0.40 N	4.00% annually	See Comments	48	0	Houston	1977	Centerpoint Properties	No	32'	TI was a ramp and clean up.
"Prologis Bayport DC 1 9770 New Century"	Packwell, Inc.	SE	131,250	1,083	Q3 2022	$0.46 N	3.00% annually	None	51	3	Pasadena	2006	Prologis	Yes	26'	
"Bay Area Business Park 10619 Red Bluff Road"	NeoChair	SE	137,280	n/a	Q3 2022	$0.46 N	3.25% annually	$3.30	86	2	Pasadena	2020	Principal	No	32'	

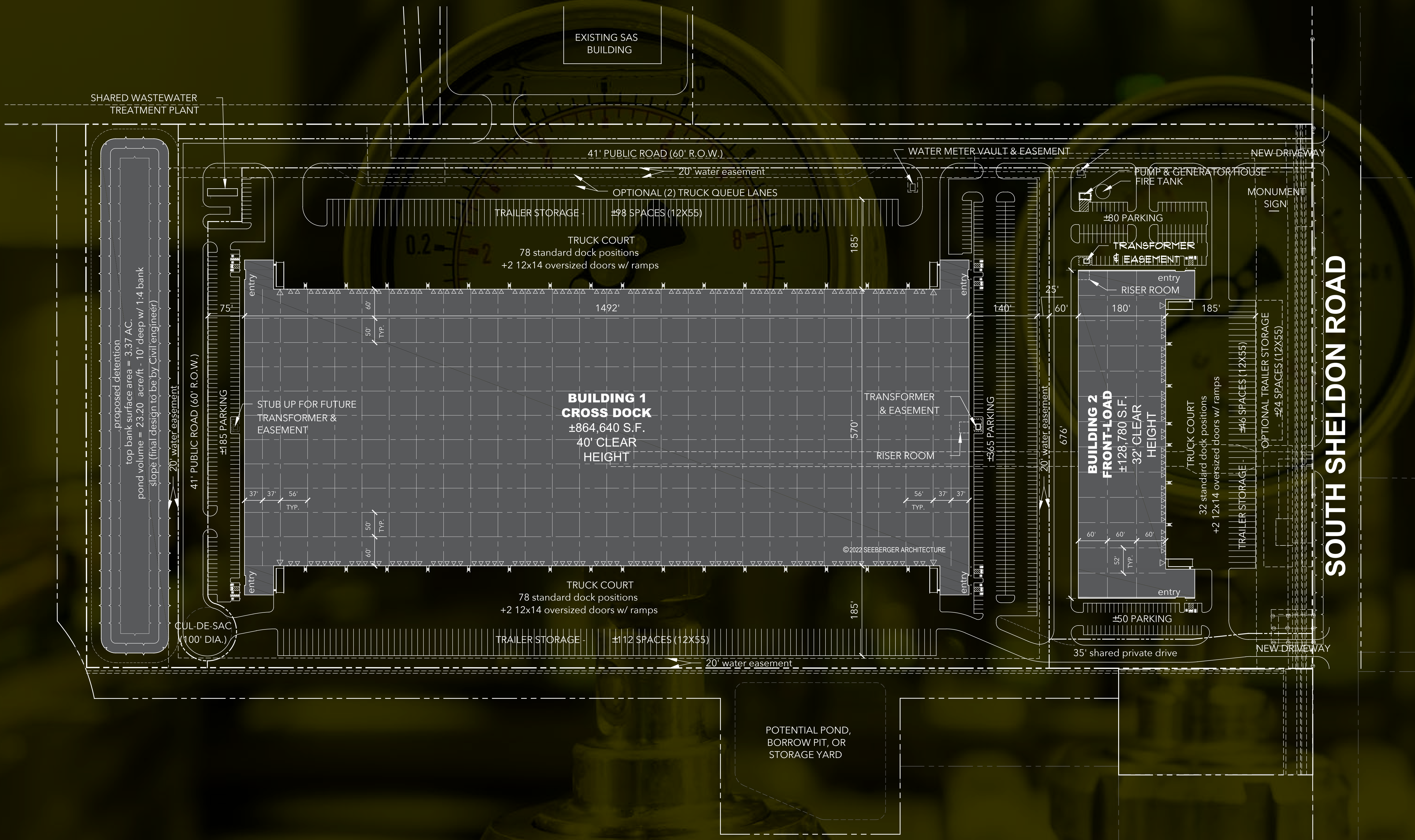
Houston Industrial Sales Comps - June 2022

SELLER / BUYER	PROPERTY NAME CITY, STATE	SIZE (SF)	SALE PRICE	SALE PRICE PSF	GOING-IN CAP RATE	OCCUPANCY	CLEAR HEIGHT	CLASS	SALE DATE	COMMENTS
Transwestern / Confidential	Bayport 146 5803 Old Highway 146 Seabrook, TX	455,600	$49,500,000	$109	4.50%*	100%	36'	A	Under Contract	Built in 2000, this 534,134 SF distribution facility is located in .The Property is 100% leased to FedEx Ground with 6.25 years of WALT and 2.00% annual escalations. $35 million of tenant investment inside the building. The valuation included a $6.5MM amortized TI that is paid out through FedEx's initial term. The final 4.31% cap rate is a blend of the NPV of the amortized CF discounted at a 5.00% rate and the base rent capped at a 3.21% cap rate.
Meritex / Culpepper Realty	1251 Clay Court Deer Park, TX 77536	104,315	$12,000,000	$115	4.45%	100%	24'	B	Under Contract	Built in 2021, South Belt Central Business Park is a 436,776 Square Foot, 82.5% Leased, 2-Building Class A+ Property in South Houston with 7.0 years of WALT. *Return on cost
Duke Realty / LEO Capital	801 Seaco Ct Houston, TX	135,231	$21,100,000	$156	4.49%	100%	N/A	A	Awarded	Traded as part of a larger Main and Main Houston Portfolio. This 5 building multi tenant portfolio is concentrated in infill locations in the Northwest (3 buildings), South (1 building) and East Houston (1 building) submarkets. The portfolio is 100% leased to 24 tenants with ± 14% below market rents with a WALT of 4.2 years. Property specs include, average suite size of 29,500 square feet and average clear height of 21'. *Year 1 Cap Rate
Pontikes Development / High Street Logistics	Port 10 - Bldgs 1 & 7 2700 East Freeway & 6430 Thompson Rd Houston, TX	420,211	$50,100,000	$119	4.36%	100%	28' - 32'	A	Jun-2 2	Rate includes 1.9 acre paved and fenced trailer parking/outside storage yard adjacent to building.
Urban Logistics Realty / Birtcher Anderson Davis	8300 Telephone Rd Houston, TX	105,519	$10,005,000	$95	4.71%	70%	28'	B	Jun-22	Rate includes 1.9 acre paved and fenced trailer parking/outside storage yard adjacent to building.
Duke Realty / James Campbell Company	Point North Sort Center 8120 Humble Westfield Rd Houston, TX	240,000	$33,600,000	$140	3.83%	100%	28'	A	May-22	Rate includes 1.9 acre paved and fenced trailer parking/outside storage yard adjacent to building.
Transwestern / Fabco Properties	Southwest Commerce Center 611 S Cravens Rd. Missouri City, TX	477,355	$53,500,000	$112	4.17%	100%	32'	A	May-22	BTS. Right to purchase after 18 months.
IDV/Sealy / Cohen Asset Management	Park 505 @ Hardy 505 Aldine Bender Rd Houston, TX	534,134	$85,440,000	$160	4.31%*	100%	36'	A	May-22	Built in 2000, this 534,134 SF distribution facility is located in .The Property is 100% leased to FedEx Ground with 6.25 years of WALT and 2.00% annual escalations. $35 million of tenant investment inside the building. The valuation included a $6.5MM amortized TI that is paid out through FedEx's initial term. The final 4.31% cap rate is a blend of the NPV of the amortized CF discounted at a 5.00% rate and the base rent capped at a 3.21% cap rate.
IDV / High Street	South Belt Central 4851-61 S Sam Houston Pkwy E	436,776	$55,500,000	$127	4.00%*	83%	32' - 36'	A	May-22	Built in 2021, South Belt Central Business Park is a 436,776 Square Foot, 82.5% Leased, 2-Building Class A+ Property in South Houston with 7.0 years of WALT. *Return on cost
Link / Nuveen	Main and Main 610 Loop Portfolio Northwest, South & East Houston, TX	709,114	$129,250,000	$182	4.15%*	100%	21' Average	B	Mar-22	Traded as part of a larger Main and Main Houston Portfolio. This 5 building multi tenant portfolio is concentrated in infill locations in the Northwest (3 buildings), South (1 building) and East Houston (1 building) submarkets. The portfolio is 100% leased to 24 tenants with ± 14% below market rents with a WALT of 4.2 years. Property specs include, average suite size of 29,500 square feet and average clear height of 21'. *Year 1 Cap Rate
Link / Nuveen	Main and Main Northwest Houston Portfolio Northwest Houston, TX	740,925	$78,000,000	$105	3.61%*	96%	24' Average	Possible	Mar-22	Traded as part of a larger Main and Main Houston Portfolio. This 8 building multi tenant portfolio is concentrated in Northwest Houston along the high 290 corridor. The portfolio is 96.2% leased with ± 14% below market rents with a WALT of 3.0 years. Property specs include, average building size of 92,000 square feet, average clear height of 24' and an average age of 2000. *Year 1 Ca p Rate
Davis Commercial Development / East Group	Cypress Preserve Logistics Center 21803 Cypress Slough Dr Houston, TX 77073	515,780	$53,500,000	$104	4.43%	50%	32'	B	Mar-22	Two building cross dock industrial park built in 2019 totaling 515,780 SF on 30.39 acres. Building 1: 257,890 SF, 0% leased, 0% office finish Building 2: 257,890 SF, 100% leased through 9/2026, 2% office finish. Valued at a 4.50% return on cost.
Avera Companies / ChefMan	Bayport North I 9701 New Decade Drive Pasadena, TX	175,032	$16,102,944	$92	N/A	0%	32'	A	Feb-22	User Sale to ChefMan. This 175,032 SF institutional grade tilt wall building is situated on 10.95 acres. The building has a front load configuration, 32' clear height, ESFR sprinkler system, TPO roof system, 130' truck court, 60' speed bays, and the option for rail service with access to the Bayport Rail Terminal. Bayport North Industrial Park 2 and 3, which were build-to-suits for Kuraray.
Lovett Industrial / API Investments	Nova Logistics Park 500 Industrial Blvd Sugar Land, TX	326,812	$41,505,124	$127	4.00%*	50%	36'	A	Jan-22	Newly developed cross dock facility built in 2021 with 36' clear height. The property is located in the Sugarland Business Park and is 50% leased to Boise Cascade. A user named API (real estate arm of Accredo Packaging), leased the remainder of the building. *Return on cost

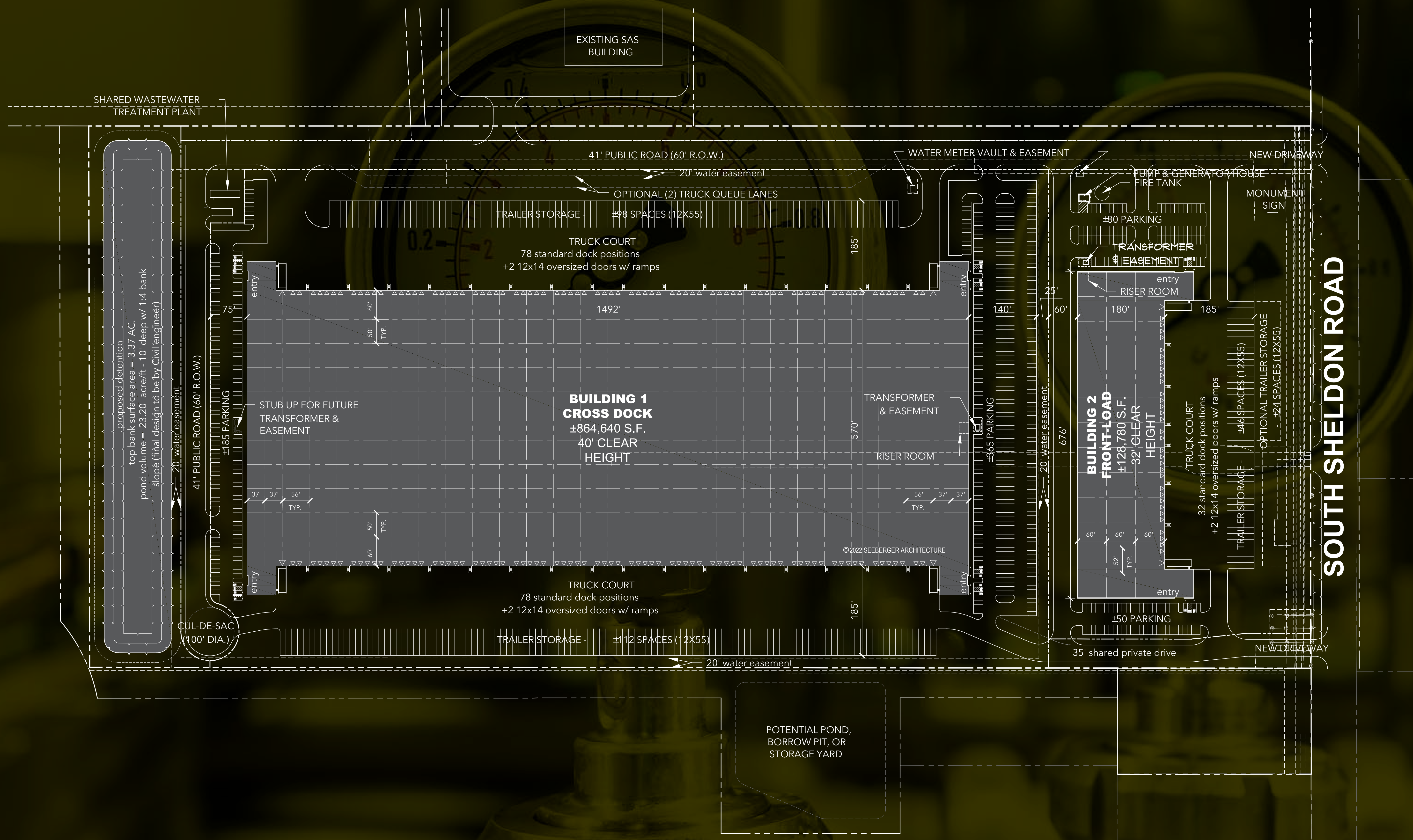
Preliminary Site Plan (A) - Building 1



Preliminary Site Plan (B) - Building 1



Preliminary Site Plan (C) - Building 1



Appendix

03


1°
5°
25,3t
27,4t
16,6t
10,6t
F5
F6
F7
F9
F10
F11
F12
F13
F14
ESC
Enter
CE

Houston Industrial Figures - Q1 2022

Industrial demand in Houston produces another record shattering quarter

MARKETWIDE OVERVIEW

- Houston broke records for the largest Q2 absorption in over 20 years
- Construction pipeline expanded for the fifth consecutive quarter, reaching 23.4 million sq. ft.
- Year-over-year, vacancy fell 230-basis points (bps), hitting 4.4%

Tenant and user demand continued to underpin robust fundamentals in the second quarter of 2022. Houston experienced large amounts of inbound company migration driven by population growth, the business-friendly environment and Port expansion. These demand factors supported activity that drove net absorption to record-breaking levels.

Elevated activity levels at the Port are indicative of the global reconfiguration of supply chains and Houston's rise as a container hub of national prominence. Year-to-date through May, container volume reached 1,573,242 Twenty-Foot Equivalent Units (TEUs), representing a 20% increase year-over-year from 2021. Port Houston's unprecedented numbers are fueled mainly by container imports. To keep pace with rising demand, the Port is implementing changes to grow capacity and boost flexibility to users. The Houston Ship Channel officially started the $1 billion "generation-defining" project, which will allow vessels to maneuver more safely and efficiently.

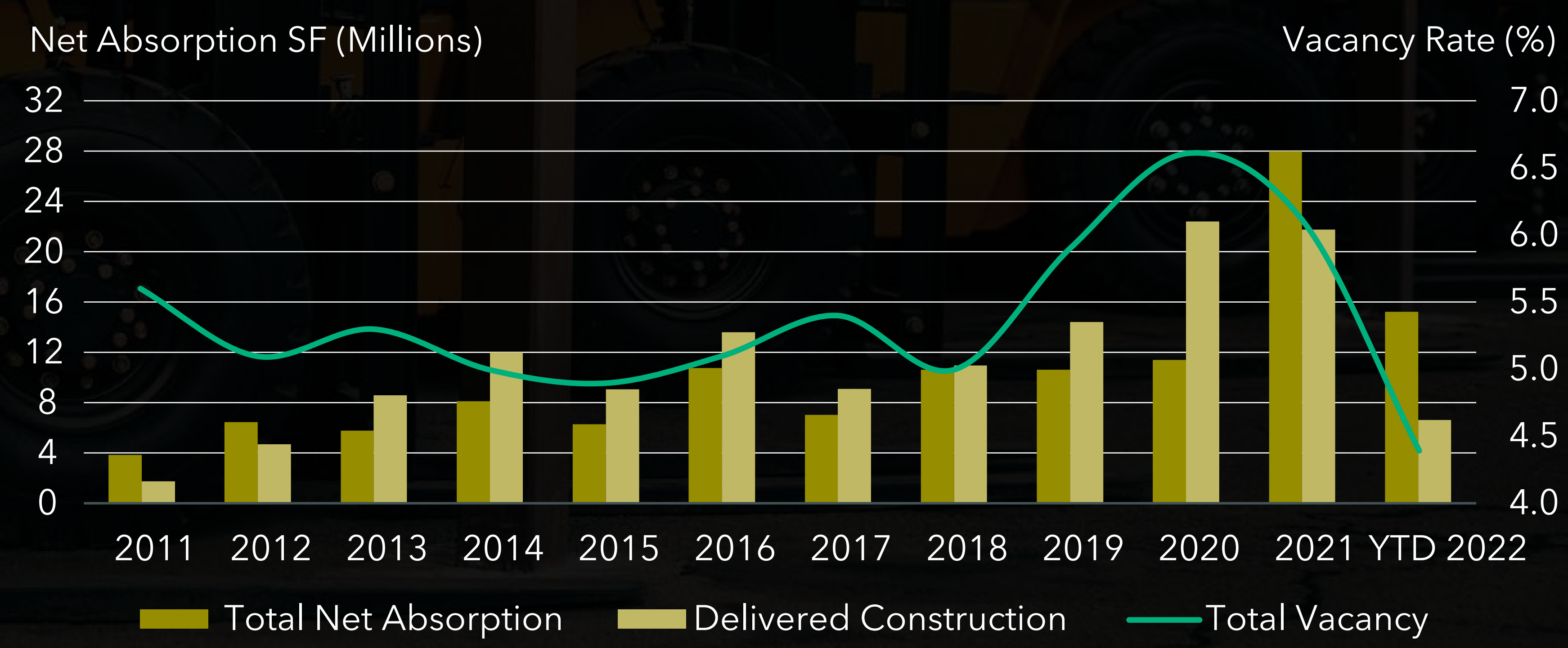
4.4%
Vacancy Rate

23.4M
SF Under Construction

7.8M
SF Net Absorption

3.5M
SF Delivered Construction

Figure 1: Houston Industrial Market (Annual)



Source: CBRE Research, Q2 2022.

Houston Industrial Figures - Q1 2022

Industrial demand in Houston produces another record shattering quarter

Lease Rates

Declining vacancies and higher input costs are driving rising rental rates across the Houston market Overall, Class A warehouse/distribution asking gross rates increased 7.5% in the second quarter. Land and construction costs are two major factors contributing to rising Class A rates, most acutely impacting infill, Port, and other constrained areas. A landlord's market is expected to persist for the foreseeable future given existing tightness in the market and future tenant activity. The standard annual bump has reached 3-4%, depending on lease size and term. With occupiers seeking safety stock to balance supply-chain disruptions, the market can expect continued rate growth and low vacancy.

Net Absorption

The Bayou City broke records in Q2, reporting the highest second quarter absorption the market has experienced in the past 20 years. The record-shattering total came in at 7.8 million sq.ft., roughly double the former highest Q2 demand on record,which landed at 3.9 million sq.ft. In comparison, Houston's year-to-date net absorption exceeds the 2021 total by 7.4 million sq.ft., reaching 15.2 million sq.ft. Looking back to 2017, Houston's six-month total currently surpasses the five-year annual average of 13.5 million sq.ft. by 1.7 million sq.ft.

During the second quarter, the most active submarkets were the North, with 2.3 million sq.ft., followed by Southeast, which came in at 2.1 million sq.ft. of absorption. Several sizable tenant move-ins occurred during Q2. The largest was a 649K sq.ft. owner-user sale for Broadrange Logistics in the Northeast submarket. In addition, a large big box e-commerce user moved into 629K sq.ft. in the North submarket and Snow Joe for 525K sq.ft. in the Southeast. As more companies strategize to favor Houston as a hub, the city is well positioned for continued growth.

Under Construction

Houston's industrial pipeline expanded for the fifth consecutive quarter, reaching 23.4 million sq.ft. City-wide, developers started 6.9 million sq.ft. of construction during Q2. The most active submarkets for building activity were the Northwest, with 7.6 million sq.ft. underway, and the Southeast, which comes in at 6.3million sq.ft. In addition, the Southwest saw the most project starts this quarter, totaling 3.7 million sq.ft. Of the amount under construction, 21.9% of the total square footage is pre-leased. Despite record new development, strong demand for first-generation industrial space will support the absorption of new deliveries.

FIGURE 2: Class A Warehouse/Distribution Asking Rates

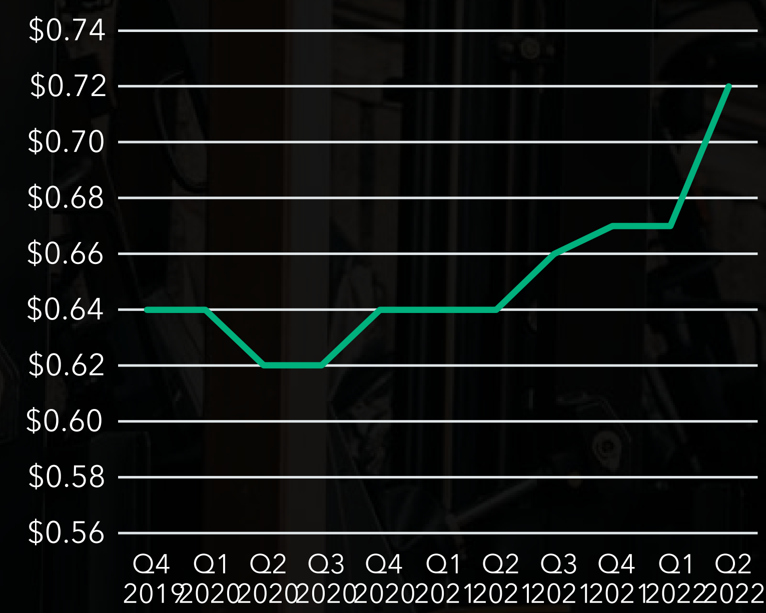


FIGURE 3: Year-End Under Construction

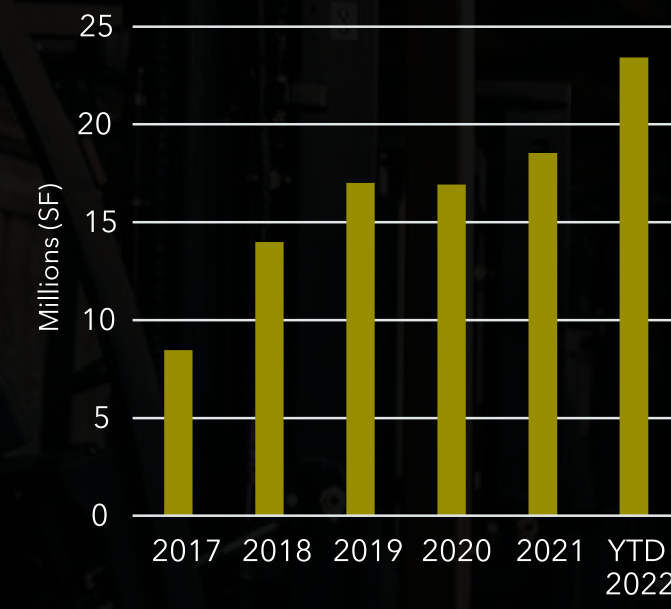
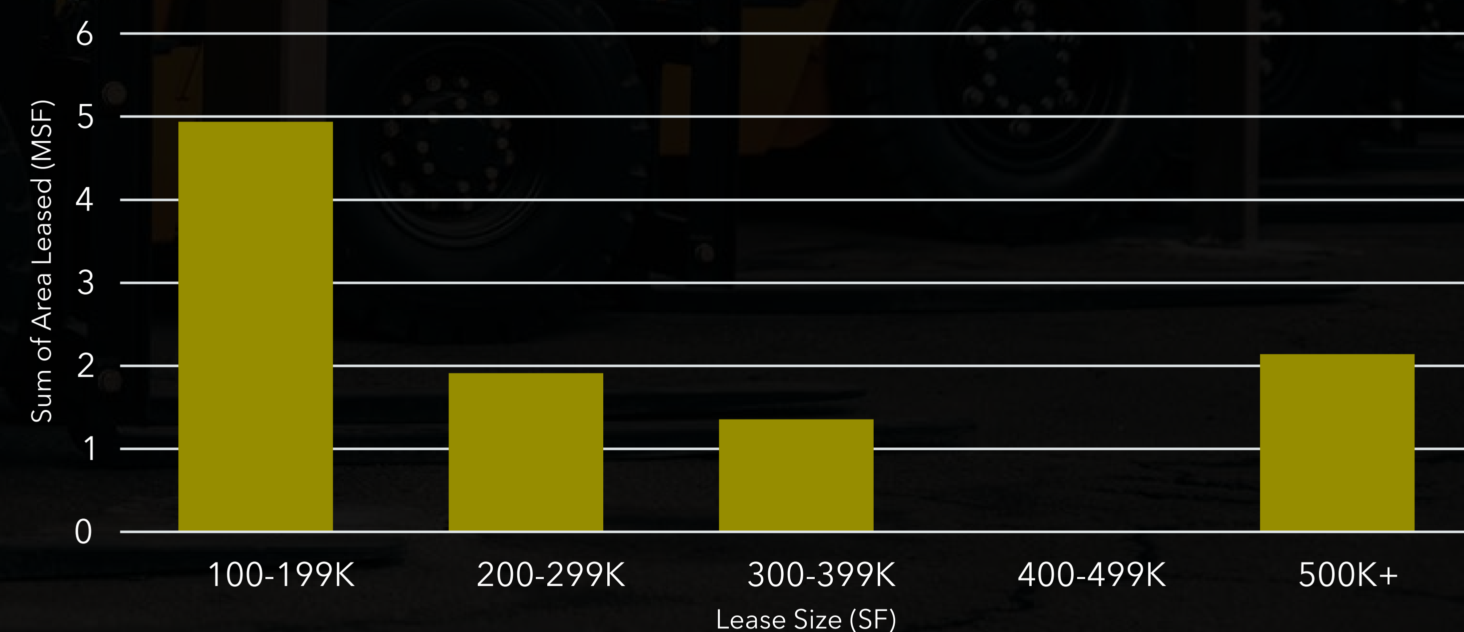


FIGURE 4: Year-to-date Leasing Activity by Size



Source: CBRE Research, Q2 2022.

Houston Industrial Figures - Q1 2022

Industrial demand in Houston produces another record shattering quarter

omarket	Net Rentable Area (SF)	Q2 2022 Net Absorption (SF)	Q2 2022 Vacancy (%)	Q2 2022 Starts (SF)	Q2 2022 Under Construction(SF)	Class A Warehouse/Dist. Asking Rate, Gross ($/SF/Mo)
D	51,166,947					
rth	107,106,156					
rtheast	37,129,349					
rthwest	158,383,910					
st Houston –North	16,291,300					
utheast	101,034,494					
uth	33,404,669					
uthwest	90,804,489					
st Houston -South	6,051,519					
USTON TOTAL	579,030,014					

FIGURE 2: Class A Warehouse/Distribution Asking Rates

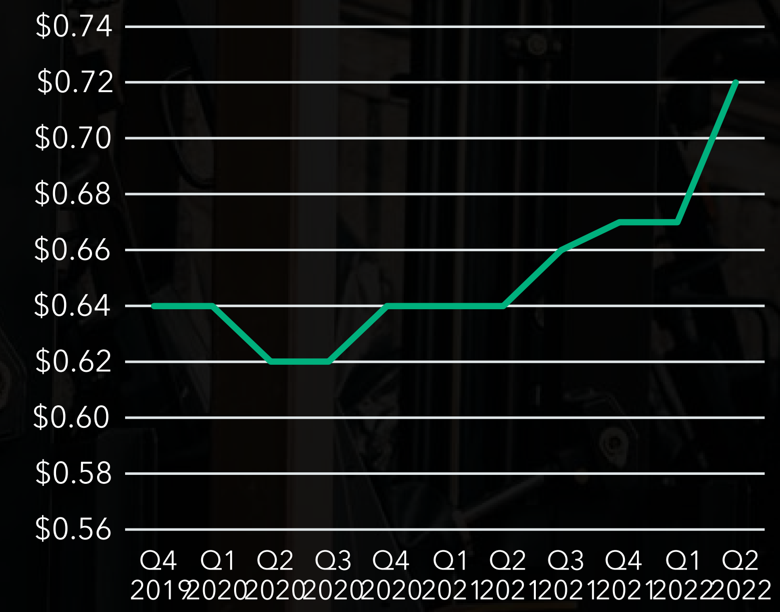


FIGURE 3: Year-End Under Construction

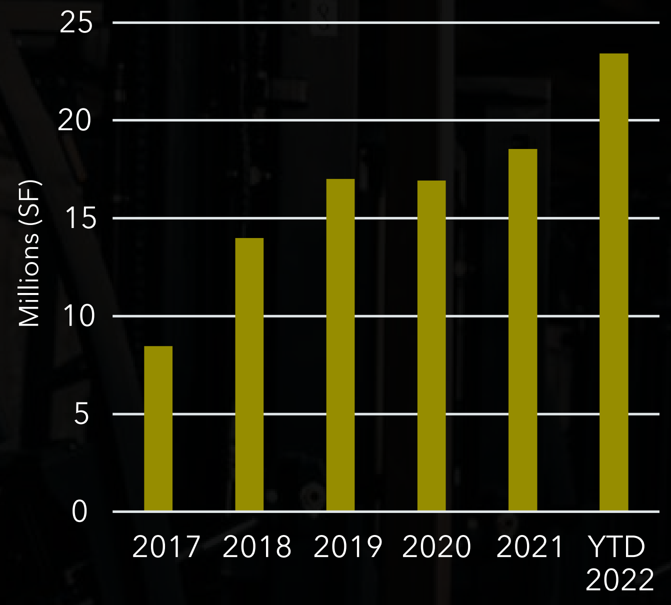
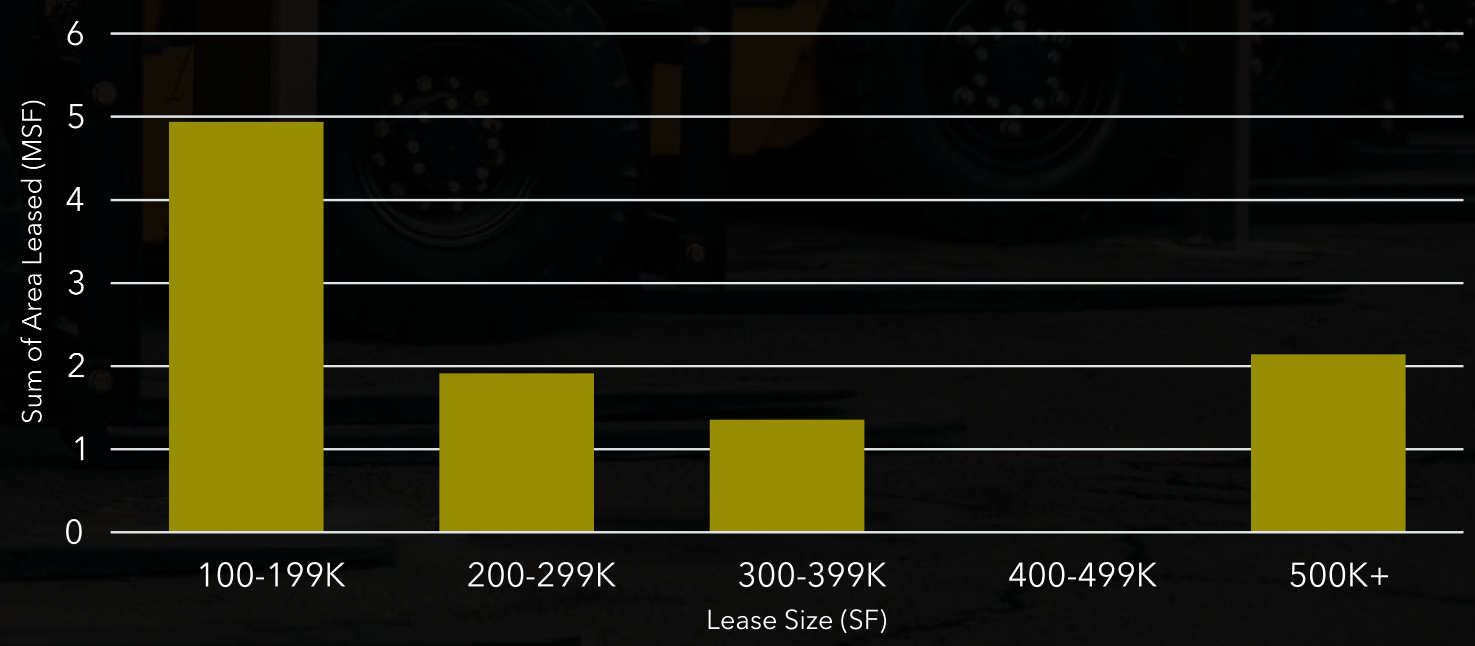


FIGURE 4: Year-to-date Leasing Activity by Size



Source: CBRE Research, Q2 2022.

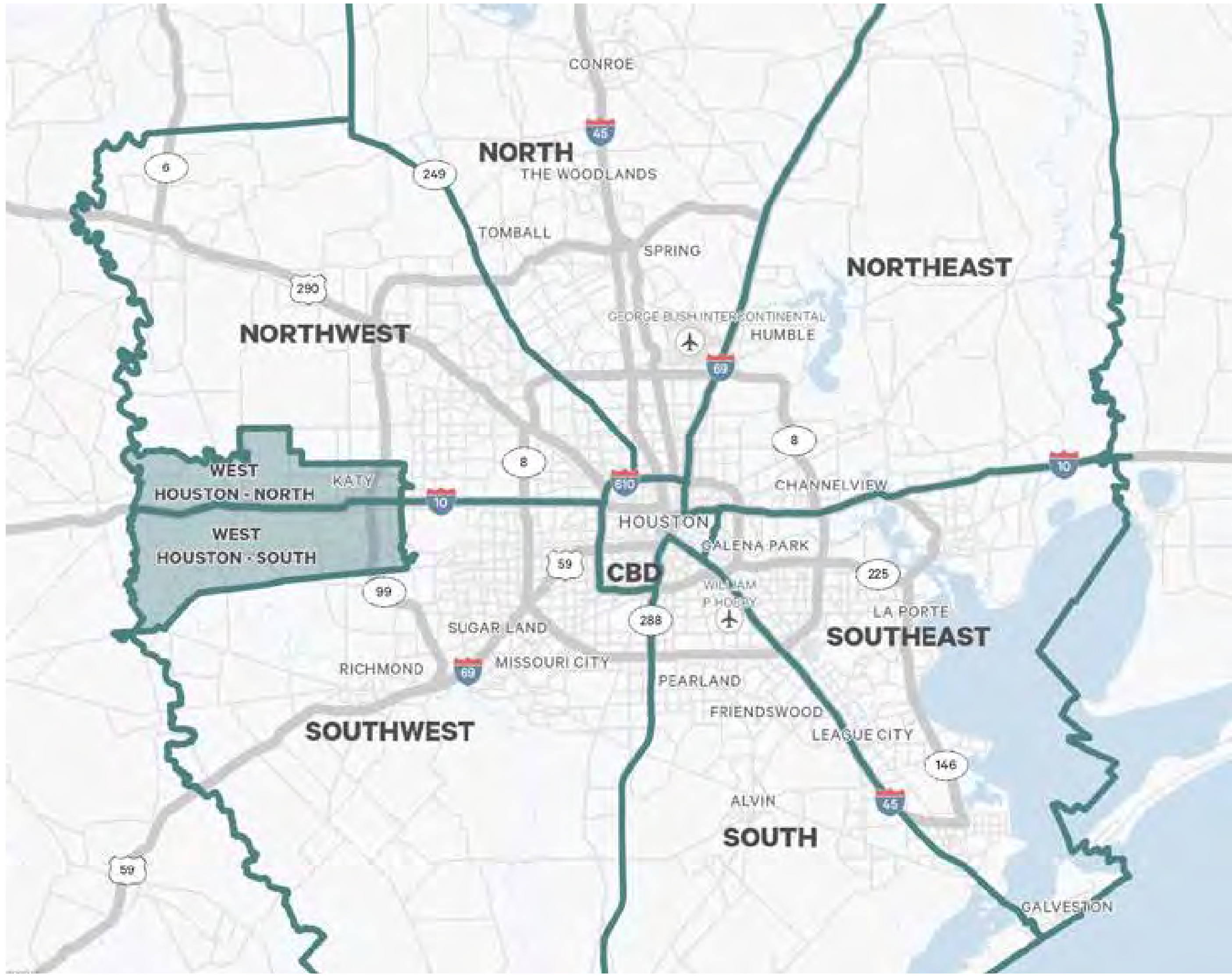
Figure 12: Houston Historical Market Statistics

	2015	2016	2017	2018	2019	2020	2021	YTD 2022
CBD								
Absorption (Net, SF)	98,914	(340,497)	(437,817)	(189,765)	440,564	(273,802)	533,448	(53,042)
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.55	0.47	0.51	0.53	0.60	0.56	0.60	0.65
Delivered Construction (SF)	22,800	0	0	0	0	0	0	0
Vacancy Rate (%)	4.7	5.1	4.7	4.6	4.3	4.5	3.6	3.2
NORTH								
Absorption (Net, SF)	2,549,106	105,225	2,356,887	1,436,375	2,413,089	2,341,390	6,393,260	3,405,270
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.72	0.62	0.63	0.64	0.70	0.66	0.70	0.77
Delivered Construction (SF)	2,252,603	1,966,546	1,536,106	1,103,471	4,593,607	5,351,157	4,027,984	1,477,928
Vacancy Rate (%)	7.6	8.8	8.1	7.3	8.6	8.3	6.3	5.0
NORTHEAST								
Absorption (Net, SF)	(4,371)	329,543	(365,859)	(105,967)	749,781	725,411	1,193,561	1,905,834
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.61	0.53	0.53	0.55	0.53	0.49	0.53	0.57
Delivered Construction (SF)	100,560	408,825	20,088	164,500	1,005,400	429,500	649,600	442,497
Vacancy Rate (%)	1.5	2.1	2.9	2.8	3.9	3.1	4.3	2.1
NORTHWEST								
Absorption (Net, SF)	1,084,232	5,690,058	102,485	5,423,532	4,339,764	2,808,774	5,531,570	3,445,661
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.79	0.63	0.62	0.64	0.60	0.56	0.71	0.77
Delivered Construction (SF)	3,728,028	5,245,749	1,559,726	4,141,124	2,754,334	7,012,821	2,389,980	1,316,223
Vacancy Rate (%)	5.4	4.9	5.8	6.1	6.1	7.8	6.3	4.6

	2015	2016	2017	2018	2019	2020	2021	YTD 2022
SOUTHEAST								
Absorption (Net, SF)	1,819,134	3,101,164	4,845,236	3,261,976	2,026,786	3,431,143	4,945,311	4,338,922
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.71	0.62	0.61	0.62	0.62	0.58	0.68	0.74
Delivered Construction (SF)	1,996,822	3,422,066	4,554,179	4,787,722	4,077,336	5,870,586	2,906,486	2,010,197
Vacancy Rate (%)	3.4	3.9	3.7	3.4	5.1	7.7	6.6	4.0
SOUTH								
Absorption (Net, SF)	183,597	(165,635)	191,813	(154,244)	91,664	84,756	606,785	337,999
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.65	0.60	0.60	0.60	0.60	0.58	0.62	0.67
Delivered Construction (SF)	465,516	166,520	358,790	97,593	145,765	505,416	436,569	180,000
Vacancy Rate (%)	2.9	3.5	3.2	3.3	4.5	3.7	3.0	1.9
SOUTHWEST								
Absorption (Net, SF)	564,396	2,027,111	321,578	934,227	488,763	2,281,912	8,781,018	1,843,901
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.79	0.65	0.65	0.65	0.70	0.66	0.71	0.77
Delivered Construction (SF)	492,176	2,390,192	1,073,500	650,476	1,842,258	3,246,393	11,350,051	1,197,070
Vacancy Rate (%)	5.1	5.2	6.1	4.7	5.8	5.1	8.0	6.2
HOUSTON TOTAL								
Absorption (Net, SF)	6,295,008	10,746,008	7,014,323	10,606,134	10,550,411	11,399,584	27,984,953	15,224,545
Overall Asking Rent (Gross Avg. Mthly $/SF)	0.69	0.60	0.61	0.62	0.62	0.59	0.65	0.70
Delivered Construction (SF)	9,058,505	13,599,898	9,102,389	10,944,886	14,418,700	22,415,873	21,760,670	6,623,915
Vacancy Rate (%)	4.9	5.1	5.4	5.0	5.9	6.6	6.1	4.4

Source: CBRE Research, Q2 2022.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all industrial buildings 50,000 sq. ft. and greater in size in Houston. Buildings which have begun construction as evidenced by site excavation or foundation work.

MARKET REPORT		
23,428,277	**18,571,237**	**4,857,040**
TOTAL SF UNDER CONSTRUCTION	SPEC UNDER CONSTRUCTION	BTS/OWNER OCCUPIED UNDER CONSTRUCTION

- UNDER CONSTRUCTION
- DELIVERED

UNDER CONSTRUCTION SF BREAKDOWN

CBD	NORTH	NORTHEAST	NORTHWEST	SOUTH	SOUTHEAST	SOUTHWEST	TOTAL
0	2,229,844	1,982,556	7,612,098	607,039	6,286,244	4,710,496	**23,428,277**

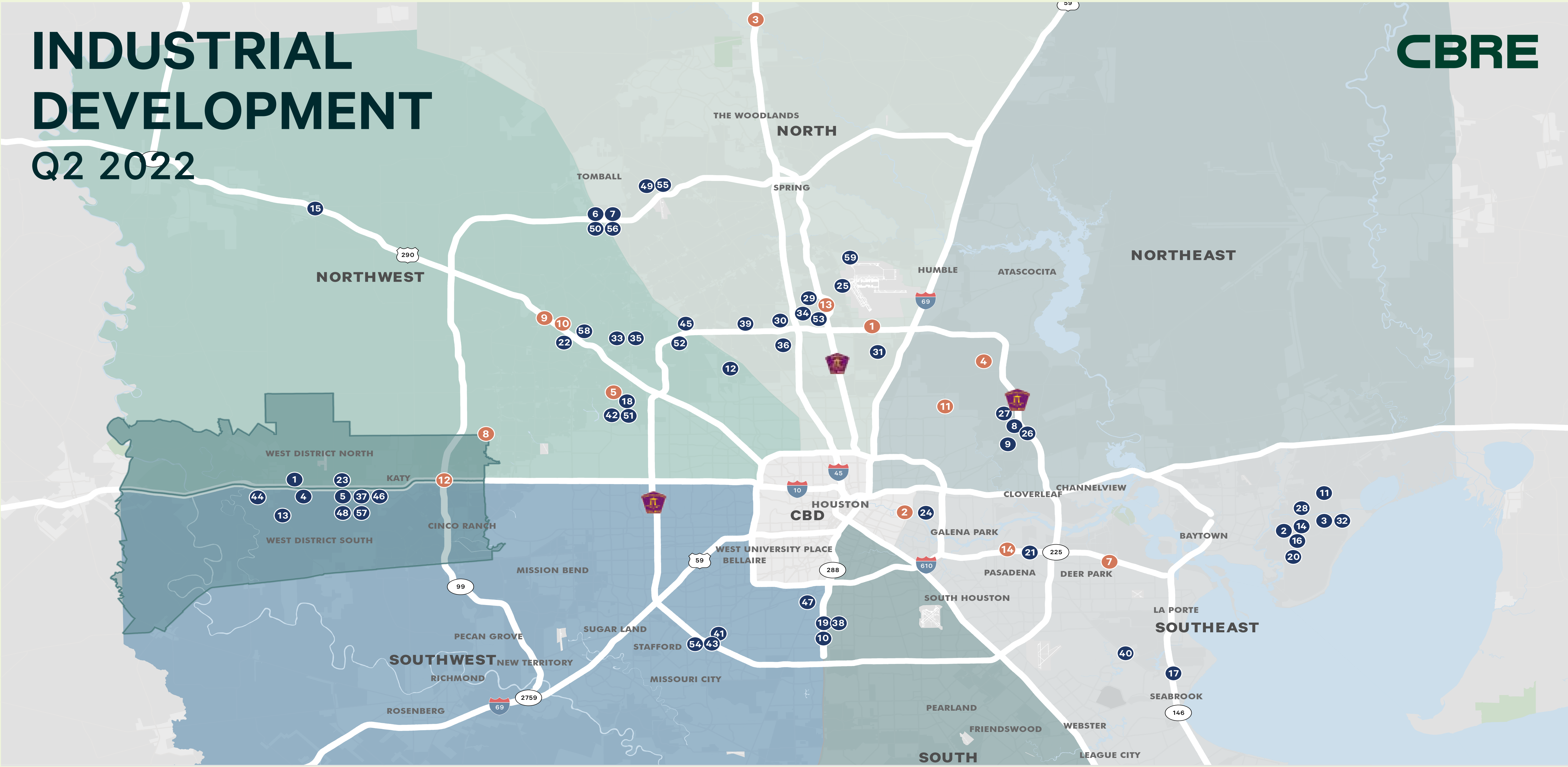
SUBMARKET

Submarket	Inventory (SF)	Net Absorption	Vacancy Rate	UC Prereleased SF	UC % Prereleased	UC Avg.Size (SF)	# UC Bldgs	Completed SF	Cmpl Prereleased SF	Cmpl % Prereleased	Cmpl Avg. Size (SF)	#Cmpl Bldgs.
CBD	51,166,947	64,453	3.2%	0	0%	0	0	0	0	0%	0	0
North	107,106,156	2,251,246	5.0%	152,140	7%	202,713	11	1,237,928	1,237,928	100%	412,643	3
Northeast	37,129,349	1,214,479	2.1%	687,902	35%	495,639	4	442,497	404,928	92%	221,249	2
Northwest	158,383,910	1,089,809	4.6%	1,524,729	20%	447,770	17	869,364	235,840	27%	173,873	5
West Houston - North	16,291,300	209,835	6.9%	0	0%	1,321,880	2	120,584	0	0%	120,584	1
South	33,404,669	258,050	1.9%	0	0%	303,520	2	180,000	180,000	100%	180,000	1
Southeast	101,034,494	2,141,438	4.0%	2,529,510	40%	523,854	12	793,432	578,100	73%	264,477	3
Southwest	90,804,489	774,548	6.1%	241,000	5%	362,346	13	0	0	0%	0	0
West Houston - South	6,051,519	0	12.5%	60,000	2%	429,365	8	0	0	0%	0	0
Total	**579,030,014**	**7,794,023**	**4.4%**	**5,135,281**	**22%**	**397,089**	**59**	**3,523,221**	**2,636,796**	**75%**	**251,659**	**14**

*Subsets not included in totals

INDUSTRIAL DEVELOPMENT
Q2 2022

CBRE



UNDER CONSTRUCTION - Top 30 by RBA

Map #	Property Name	Address	City	Zip	Total RBA	% Preleased	Preleased	Developer	BTS/Spec/Owner	Brk Grnd	Submarket
1	Empire West - Phase 2 (6 bldgs)	32302 US Hwy 90 BUS	Brookshire	77423	2,300,000	0	0	Stream Realty	Spec	2021	Northwest - West Houston North
2	TGS Cedar Port DC 1	6363 FM 1405	Baytown	77523	1,200,000	0	0	TGS Cedar Port Partners	Spec	2021	Southeast
3	Ameriport - Safavieh	8900 East Grand Parkway South	Baytown	77523	1,099,510	100	1,099,510	National Property Holdings	Owner	2022	Southeast
4	Woods Road	1519 Woods Rd	Brookshire	77423	1,072,393	0	0	Crow Holdings	Spec	2022	Southwest - West Houston South
5	I-10 West Trade Center	31270 Kingsland Blvd	Brookshire	77423	1,051,080	0	0	Hunt Southwest	Spec	2022	Southwest - West Houston South
6	Interchange 249	Grand Parkway & Hwy 249	Tomball	77377	908,853	100	908,853	Lovett Industrial	BTS	2022	Northwest
7	Interchange 249 - Bldg 8	Grand Parkway & Hwy 249	Tomball	77377	735,690	0	0	Lovett Industrial	Spec	2022	Northwest
8	NorthPoint 90 Logistics Center - Building 3	Highway 90	Houston	77049	687,902	100	687,902	NorthPoint Development	BTS	2021	Northeast
9	NorthPoint 90 Logistics Center (Bldgs 1 & 2)	6702-6710 Purple Sage Rd	Houston	77049	668,761	0	0	NorthPoint Development	Spec	2021	Northeast
10	Lonestar Logistics Park - Phase I (4 bldgs)	Hwy 288	Houston	77051	658,856	0	0		Spec	2021	Southwest
11	Cedar Port Logistics - Niagara Water	Highway 99	Baytown	77523	625,000	100	625,000		Owner	2021	Southeast
12	Pinnacle Logistics Park (4 bldgs)	Breen Dr	Houston	77088	614,079	0	0	Hillwood	Spec	2021	Northwest
13	The Uplands Twinwood Business Park	Twinwood Pkwy	Brookshire	77423	546,000	0	0	Clay Development & Construction	Spec	2022	Southwest - West Houston South
14	TGS Cedar Port DC 8	7525 Sutton Rd	Baytown	77523	507,000	100	507,000	TGS Cedar Port Partners	BTS	2022	Southeast
15	Great 290 Distribution Center	Highway 290	Waller	77484	500,840	0	0	Pagewood	Spec	2022	Northwest
16	TGS Cedar Port DC 2	4407 E Grand Pky S	Baytown	77523	496,421	0	0	Trans-Global Solutions Inc	Spec	2021	Southeast
17	Bayport 146 Distribution Center	5803 Old Highway 146	Seabrook	77586	454,600	0	0	Transwestern	Spec	2022	Southeast
18	12104 W Little York Rd	12104 W Little York Rd	Houston	77041	424,956	100	424,956	Urban Construction Southwest	BTS	2021	Northwest
19	Carson 288 - Building B	SEC Hwy 288 & Airport Blvd	Houston	77051	413,718	0	0	Carson Companies	Spec	2022	South
20	Cedar Port Distribution Center - Building 5	4836 Borusan Road Frd	Baytown	77523	405,600	0	0	Clay Development & Construction	Spec	2022	Southeast
21	225 Logistics Center	2818 Pasadena Fwy	Pasadena	77506	403,066	0	0	Vigavi	Spec	2021	Southeast
22	Highland Grove Phase II - bldg. 7 & 8	10900 Telge Rd	Houston	77095	385,450	0	0	Modlo	Spec	2021	Northwest
23	Pederson Logistics Center	574 Pederson Rd	Katy	77494	343,760	0	0	Triten Real Estate Partners	Spec	2022	Northwest - West Houston North
24	Houston Tradeport - Bldg 1	8225 Plummer St	Houston	77029	332,064	0	0	NorthPoint Development	Spec	2022	Southeast
25	Intercontinental Crossing Park	Eastveld Dr	Houston	77073	318,240	0	0	Urban Companies	Spec	2021	North
26	Houston Coldport	7800 Uvalde Rd	Houston	77049	315,101	0	0	Boomerang Interests	Spec	2021	Northeast
27	Beltway 8 & E Little York Rd	Beltway 8 & E Little York Rd	Houston	77044	310,792	0	0	Adkisson Development	Spec	2021	Northeast
28	Blackline Cold Storage	FM 1405	Baytown	77523	298,000	100	298,000	Blackline Cold Storage	BTS	2021	Southeast
29	17506 E Hardy Rd (Bldg 1)	17506 E Hardy Rd	Houston	77073	283,480	54	152,140	Urban Companies	Spec	2022	North
30	Pinto 23	19000 Greens Crossing Blvd	Houston	77067	282,190	0	0	Griffin Partners	Spec	2022	North
31	Kennedy Greens 2	13400 John F Kennedy Blvd	Houston	77039	280,620	0	0	Clay Development & Construction	Spec	2021	North
32	Cedar Port Freezer	Grand Pky	Baytown	77523	277,000	0	0	RealtyLink LLC	Spec	2021	Southeast
33	Weiser Business Park	14415 Fallbrook Dr	Cypress	77429	258,200	0	0	Trammell Crow Company	Spec	2021	Northwest
34	Fairway North Logistics Park - Building 3	1215 Rankin Rd	Houston	77073	235,600	0	0	Lovett Industrial	Spec	2022	North
35	Weiser Business Park	14503 Fallbrook Dr	Cypress	77429	223,400	0	0	Trammell Crow Company	Spec	2021	Northwest
36	Pinto Business Park	255 Fallbrook Dr	Houston	77038	209,450	0	0		Spec	2022	North
37	Kingsland 10 Business Park - Building 4	31067 Kingsland Blvd	Brookshire	77423	200,680	30	60,000	Adkisson Development	Spec	2022	Southwest - West Houston South
38	Carson 288 - Building A	SEC Hwy 288 & Airport Blvd	Houston	77051	193,321	0	0	Carson Companies	Spec	2022	South
39	VM8 Logistics Center	3000 N. Sam Houston Pkwy W	Houston	77038	192,984	0	0	Pontikes Development	Spec	2022	North
40	Bayport South Business Park - Bldg V	10549 Red Bluff Rd	Pasadena	77507	187,983	0	0	Johnson Development	Spec	2022	Southeast
41	13617 Hillcroft Ave	13617 Hillcroft Ave	Houston	77085	181,000	100	181,000		BTS	2021	Southwest
42	Northwest Houston Distribution Center - Building 2	5728 N Eldridge Pky	Houston	77041	180,947	0	0	IDI Logistics	Spec	2021	Northwest
43	Fondren 8 Crossing (3 bldgs)	8008 S Sam Houston Pkwy W	Houston	77085	171,515	0	0	PropNex Realty Group	Spec	2022	Southwest
44	Westside 10	814 FM 1489	Brookshire	77423	167,120	0	0	Phelan-Bennett	Spec	2022	Southwest - West Houston South
45	The Mill at 249	16303 Tomball Pky	Houston	77064	166,249	0	0	Greystar	Spec	2022	Northwest
46	Kingsland 10 Business Park - Building 1	30910 Kingsland Blvd	Brookshire	77423	164,400	0	0	Adkisson Development	Spec	2022	Southwest - West Houston South
47	Corporate Center Fannin Bldg II	10001 Fannin St	Houston	77045	151,342	0	0	Summit Realty	Spec	2021	Southwest
48	Kingsland 10 Business Park - Building 2	30844 Kingsland Blvd	Brookshire	77423	149,500	0	0	Adkisson Development	Spec	2022	Southwest - West Houston South
49	North Grand Parkway - Bldg 2	9400 FM 2920	Tomball	77375	144,800	0	0	Lincoln Property Company	Spec	2022	North
50	Interchange 249 - Bldg 2	Grand Parkway & Hwy 249	Tomball	77377	138,375	0	0	Lovett Industrial	Spec	2022	Northwest
51	Northwest Houston Distribution Center - Building 1	5728 N Eldridge Pky	Houston	77041	132,190	50	66,101	IDI Logistics	Spec	2021	Northwest
52	Hines Empower Phase II	7621 N Sam Houston Pky W	Houston	77064	124,819	100	124,819	Hines	BTS	2021	Northwest
53	Fairway North Logistics Park - Building 1	1207 Rankin Rd	Houston	77073	113,520	0	0	Lovett Industrial	Spec	2022	North
54	Cravens Crossing	737 S Cravens Rd	Missouri City	77489	112,860	0	0	PropNex Realty Group	Spec	2022	Southwest
55	North Grand Parkway - Bldg 1	9400 FM 2920	Tomball	77375	108,960	0	0	Lincoln Property Company	Spec	2022	North
56	Interchange 249 - Bldg 1	Grand Parkway & Hwy 249	Tomball	77377	98,400	0	0	Lovett Industrial	Spec	2022	Northwest
57	Kingsland 10 Business Park - Building 3	30798 Kingsland Blvd	Brookshire	77423	83,750	0	0	Adkisson Development	Spec	2022	Southwest - West Houston South
58	Weiser Business Park	22010 Northwest Fwy	Cypress	77429	75,890	0	0	Trammell Crow Company	Spec	2021	Northwest
59	4551 E Richey Rd	4551 E Richey Rd	Humble	77338	60,000	0	0		Spec	2021	North

DELIVERIES

Map #	Property Name	Address	City	Zip	Total RBA	% Preleased	Preleased	Developer	BTS/Spec/Owner	Brk Grnd	Submarket
1	Confidential	Milner Rd	Houston	77032	629,186	100	629,186	Prologis	BTS	2021	North
2	Houston Tradeport Bldg 2	8230 Stedman St	Houston	77029	525,200	100	525,200	NorthPoint Development	BTS	2021	Southeast
3	American Furniture Warehouse	River Plantation Dr	Conroe	77304	492,262	100	492,262	American Furniture Warehouse	BTS	2021	North
4	Service Wire	10803 W Lake Houston Pky	Houston	77044	308,043	100	308,043	Service Wire Company	Owner	2022	Northeast
5	290 Eight Distribution Center	12100 W Little York Rd	Houston	77041	295,680	0	0	Brookfield	Spec	2021	Northwest
6	Confidential	4975 Gulf Fwy	La Marque	77568	180,000	100	180,000	Duke Realty Corporation	BTS	2021	South
7	Monument Business Park - Phase II	1155 Independence Pky	Deer Park	77536	173,332	0	0	Molto Properties	Spec	2021	Southeast
8	Clay Road Commerce Park	4232 Clay Commerce Dr	Katy	77449	170,000	56	94,840	Urban Companies	BTS	2021	Northwest
9	Barker Cypress Distribution Center	12020 Barker Cypress Rd	Cypress	77433	142,100	0	0	Molto Properties	BTS	2021	Northwest
10	Confidential	15310 Cypress North Houston	Cypress	77429	141,000	100	141,000	Vigavi	BTS	2021	Northwest
11	Mesa East Industrial Park	Mesa Rd & Spikewood Dr	Houston	77078	134,454	72	96,885	Summitt Realty	Spec	2021	Northeast
12	Grand West Crossing - Bldg 1	Grand Parkway	Katy	77449	120,584	0	0	EastGroup Properties	Spec	2021	Northwest - West Houston North
13	17506 E Hardy Rd	17506 E Hardy Rd	Houston	77073	116,480	100	116,480	Urban Companies	BTS	2021	North
14	1050 Red Bluff Rd	1050 Red Bluff Rd	Pasadena	77506	94,900	56	52,900	i3 Interests	BTS	2021	Southeast

NATIONAL PARTNERS

CAPITAL MARKETS UPDATE

NP's Current Pipeline

	# Transactions	SF	Volume	% Increase or Decrease (over this time last year)
On Market	116	97.8 MSF	$15.3 B	191% increase in Volume
Bid Process	7	3.9 MSF	$602 M	68% decrease in Volume
DD/In Escrow	90	45.7 MSF	$7.8 B	20% increase in Volume
2022 Closed YTD	165	87.1 MSF	$12.7 B	64% increase in Volume

- Strategic decision by property owners to be proactive on their disposition plan
- Accelerated their disposition targets to Q1 and Q2 to avoid the impending headwinds
- General sentiment was "it is going to get worse before it gets better", sell now
- Expect a record number of offerings to hit the market after Labor Day

**Stats above as of 7/20/2022.*

NATIONAL PARTNERS

CAPITAL MARKETS UPDATE

NP's Closed Deal Stats (past 30 days)

# Transactions	17
Total SF	12.6 MSF
$ Volume	$2.0 Billion
$ Volume Breakout	4 deals > $174M ($174, $246, $335 & $470M) 13 deals = $16 to $118M

- The sweet spot for deal size is +/- $100M
- Shift to tactical acquisitions that are accretive / strategic
- Better financing options for smaller deals
- IC approval process is more manageable

NATIONAL PARTNERS

CAPITAL MARKETS UPDATE

Portfolio Executions are Very Limited

- CMBS market is effectively closed, eliminating the traditional source of portfolio debt
- Portfolios are pricing at a discount due to the lack of debt and repricing of risk
- Investors are reluctant to make a big bet in a risk-off environment
- Some large open end funds are shifting to a defensive posture for potential redemption queues
- If this materializes in scale, there will be less capital available for larger offerings

Shrinking Bidder Pools

- Bidder pools are ¼ to ½ the size from the start of the year
- High octane leverage buyers are out of the market
- Some buyers are pencils down until Labor Day
- Low leverage or all cash buyers are most active
- With the pivot to smaller deals, private and 1031 buyers are winning bids

NATIONAL PARTNERS

CAPITAL MARKETS UPDATE

Bid Ask Spread has Emerged

- The market found its footing prior to the week of June 13th
- Majority of deals re-priced after June 13, due to interest rate expansion
- The bid ask spread widened, slowing transaction activity
- Most owners are now price point sellers, not market sellers
- Debt is no longer just a math issue, availability is the new challenge

Price Discovery

- Cap rates are very uneven based upon property, risk, and financial profiles
- Investors are targeting cap rates at slightly negative or neutral leverage
- The general target for a mark-to-market profile is a 5% yield in FY3
- Below replacement cost basis is a key motivation to acquire
- Long term leases with below market escalations experienced the greatest cap rate expansion

NATIONAL PARTNERS

CAPITAL MARKETS UPDATE

Sale Process

- Process has to be customized to the asset profile and buyer audience
- Targeted campaigns or negotiated deals have been successful
- Broadly marketed campaigns are best for infill mark-to-market offerings
- Multiple round auctions are not effective

THANK YOU

Trammell Crow Company + CBRE

WE POWER THE REAL ESTATE THAT POWERS BUSINESS