



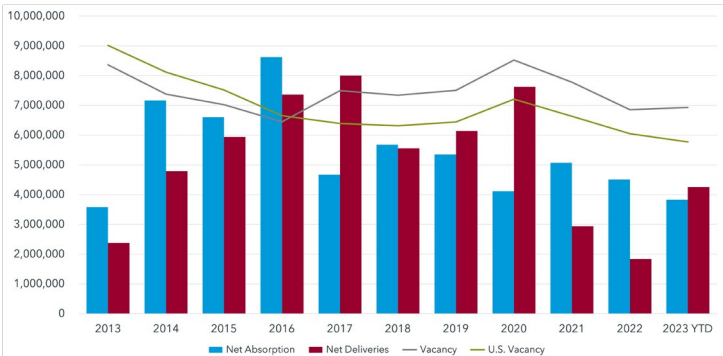
RETAIL MARKET OVERVIEW

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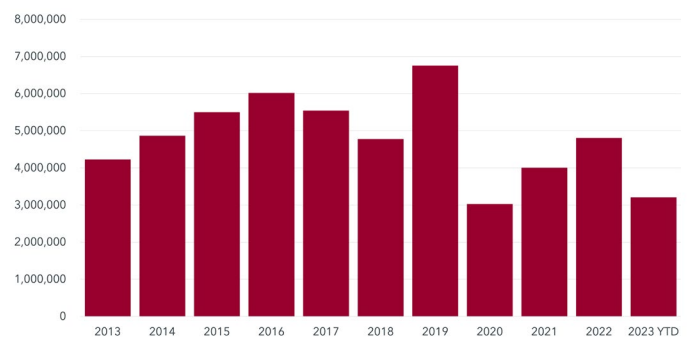
The Houston MSA has a population of 7.5 million making it the fifth largest city in the U.S. The region's population grew 17.0% over the past decade, compared to the national benchmark of 5.5%. Houston's retail market remains strong as it surpasses the national trend, averaging 1.6 million SF in total leasing activity for Q4 2023. Around 85% of new lease activity was from smaller tenants, classified as 5,000 SF or less. Houston absorbed 3.8 million SF during Q4 2023, mostly from big-box stores expanding into the fast-growing suburbs. The national average vacancy rate is 4.1% while Houston's has remained at 4.9% since 2017. Houston's construction pipeline continues to follow population growth into suburban areas as the market moves forward into Q1 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	3,847,247	3,294,774	3,491,510	4,287,912	4,506,355
▼ Vacancy Rate	4.8%	4.9%	4.9%	4.8%	4.8%
▲ Avg NNN Asking Rate PSF	\$23.60	\$23.47	\$23.23	\$23.07	\$22.81
▼ SF Under Construction	3,207,822	4,174,778	4,239,878	4,745,909	4,804,758
▲ Inventory SF	436,128,360	434,893,121	434,076,888	433,064,477	431,873,700

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
4700 Highway 6 North Houston, TX	168,838 SF	Undisclosed	Taki Dallis / David Franke Milton Boniuk	Multi-Tenant
4000 North Shepherd Drive Houston, TX	155,096 SF	Undisclosed	Tazz Enterprise Seritage Growth Properties	Single-Tenant
9201 Richmond Houston, TX	40,000 SF	Undisclosed	Texas Land & Cattle II Ltd HBT Realty Ltd	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
13300-13350 Jones Road Houston, TX	55,916 SF	Investor Real Estate Services	Restore	Health Care and Social Assistance
3410-3412 Highway 6 Sugar Land, TX	51,130 SF	Jusgo Distribution	EoS Fitness	Fitness
17355 Tomball Parkway Houston, TX	44,987 SF	Mishorim Gold Properties	Slick City	Entertainment

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