



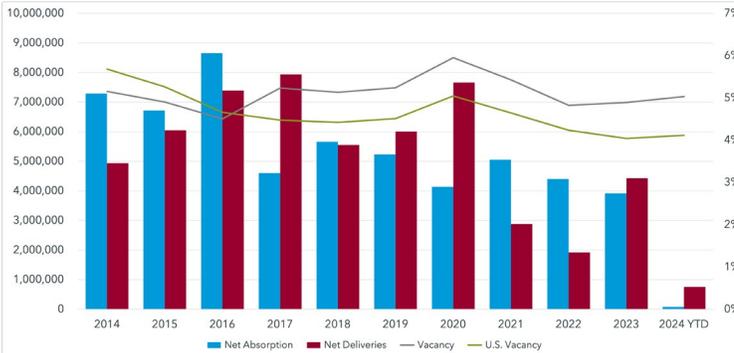
### RETAIL MARKET OVERVIEW

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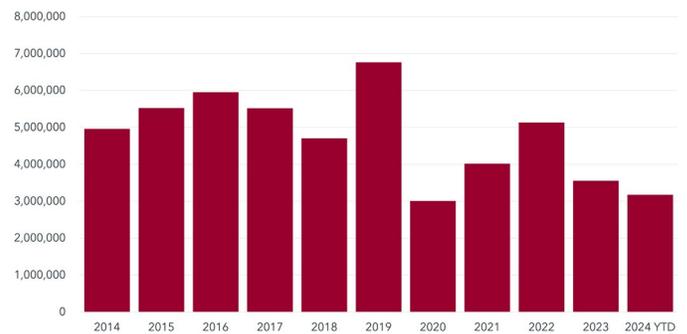
Houston's MSA, boasting a population of 7.5 million, retains its position as the fifth-largest city in the U.S. The market continues to showcase resilience. Leasing activity for Q1 2024 amounted to 2.18 million square feet while absorbing 2.9 million square feet. Community, neighborhood, and strip centers emerged as the primary property types driving this absorption. While the national average stands at 4.1%, Houston's vacancy rate has remained at 5%. However, Houston's construction volume experienced a notable decline of about 22% compared to 2023 Q4 suggests a cautious approach by developers, in response to high construction costs & interest rates.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	2,987,351	3,917,166	3,257,479	3,280,033	4,191,728
▲ Vacancy Rate	5.0%	4.9%	4.9%	4.9%	4.8%
▲ Avg NNN Asking Rate PSF	\$23.65	\$23.57	\$23.40	\$23.14	\$22.99
▼ SF Under Construction	3,174,770	3,556,924	4,494,424	4,640,193	4,996,369
▲ Inventory SF	438,460,932	437,702,604	436,385,631	435,450,828	434,473,478

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
4444 Westheimer Road Houston, TX	302,668 SF	\$164,339,294 \$542.97 PSF	Fertitta Entertainment J.P. Morgan Asset Management	Multi-Tenant
13331 Westheimer Road Houston, TX	139,000 SF	Undisclosed	Wu Properties Walmart, Inc.	Single-Tenant
6790-6818 Spencer Highway Pasadena, TX	136,479 SF	Undisclosed	Wenxue Wang Cooke Management, Inc.	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
18355 SH 249 Houston, TX	69,105 SF	NewQuest Properties	Game Time	Entertainment
10241 North Freeway Houston, TX	64,000 SF	Neman Brothers & Associates	Jack's Smart Shop	Retailer
19801 Gulf Freeway Webster, TX	31,005 SF	Kimco	Cosmic Air	Arts, Entertainment & Recreation

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