

14955 HEATHROW FOREST PKWY ±11.77 AC FOR SALE



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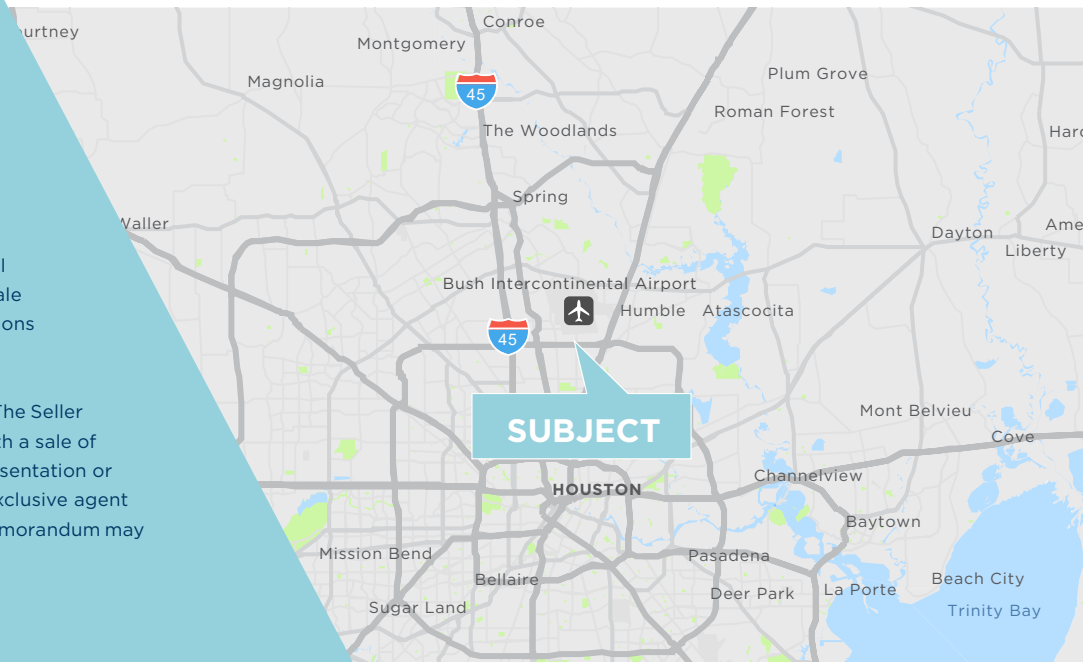
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01 PROPERTY OVERVIEW

02 LOCATION OVERVIEW

03 MARKET OVERVIEW



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PROPERTY OVERVIEW

PROPERTY DETAILS



±11.77 ACRES OF IMPROVED LAND



CITY OF HOUSTON UTILITIES



±350' FRONTAGE ON INTERWOOD SOUTH



±765' OF FRONTAGE ON INTERWOOD N PKWY



±675' OF FRONTAGE ON HEATHROW FORREST PKWY



HARRIS COUNTY



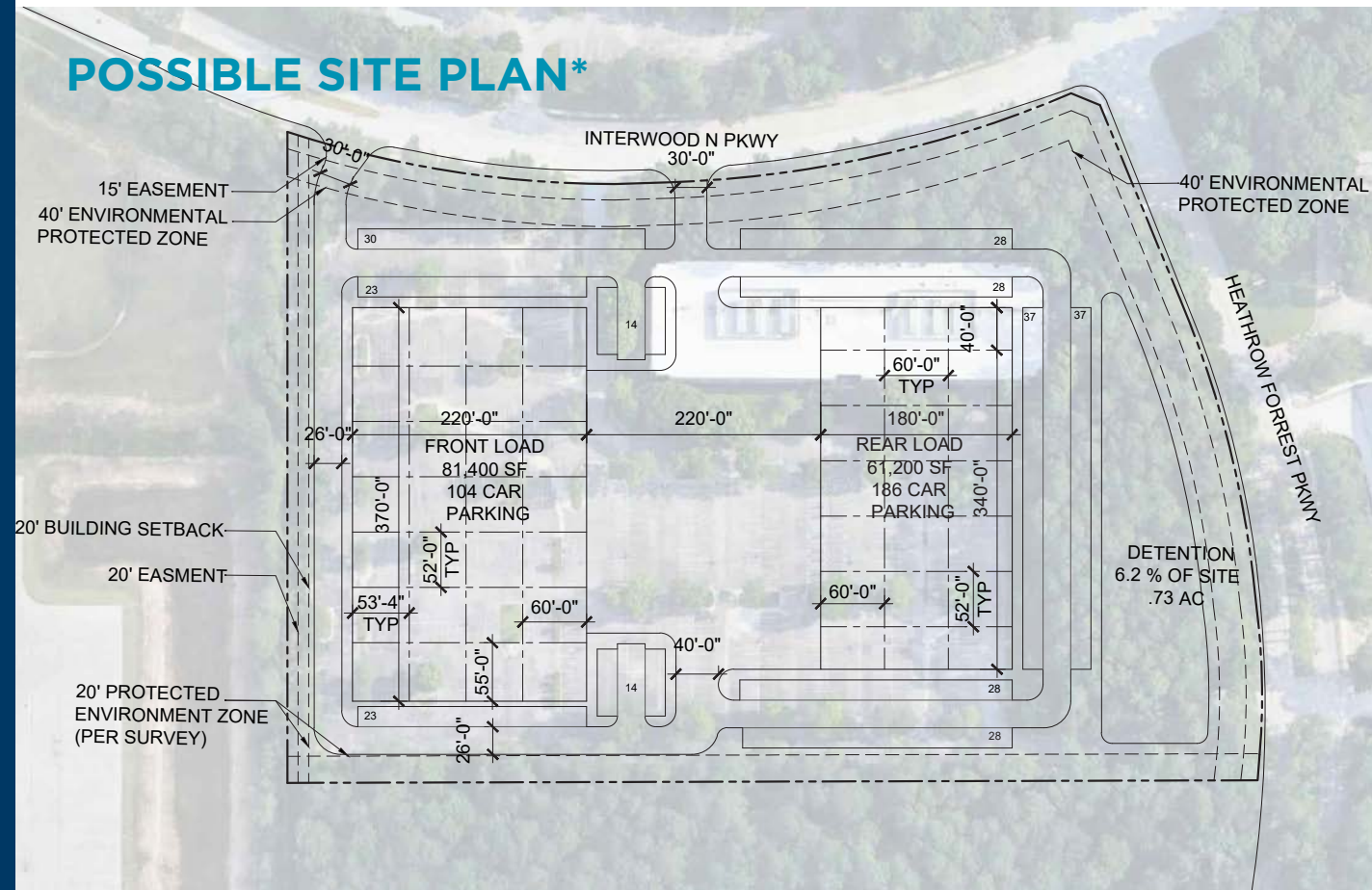
NOT IN THE FLOOD PLAIN



TREMENDOUS ACCESS TO BELTWAY 8 AND I-69 AND THE HARDY TOLL ROAD

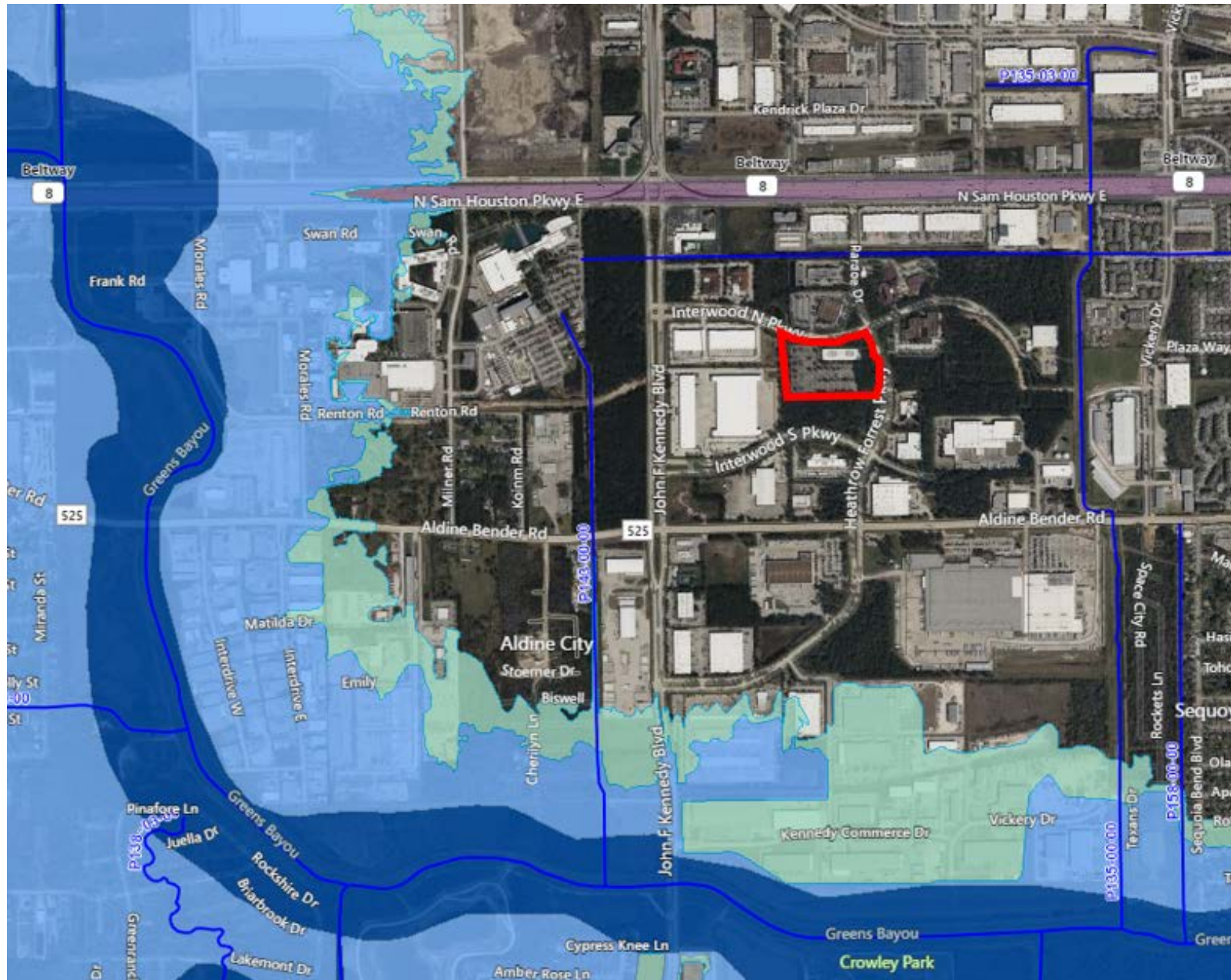


DEED RESTRICTED BUSINESS PARK



*Site plan depiction is provided for illustrative purposes only without verification of viability.

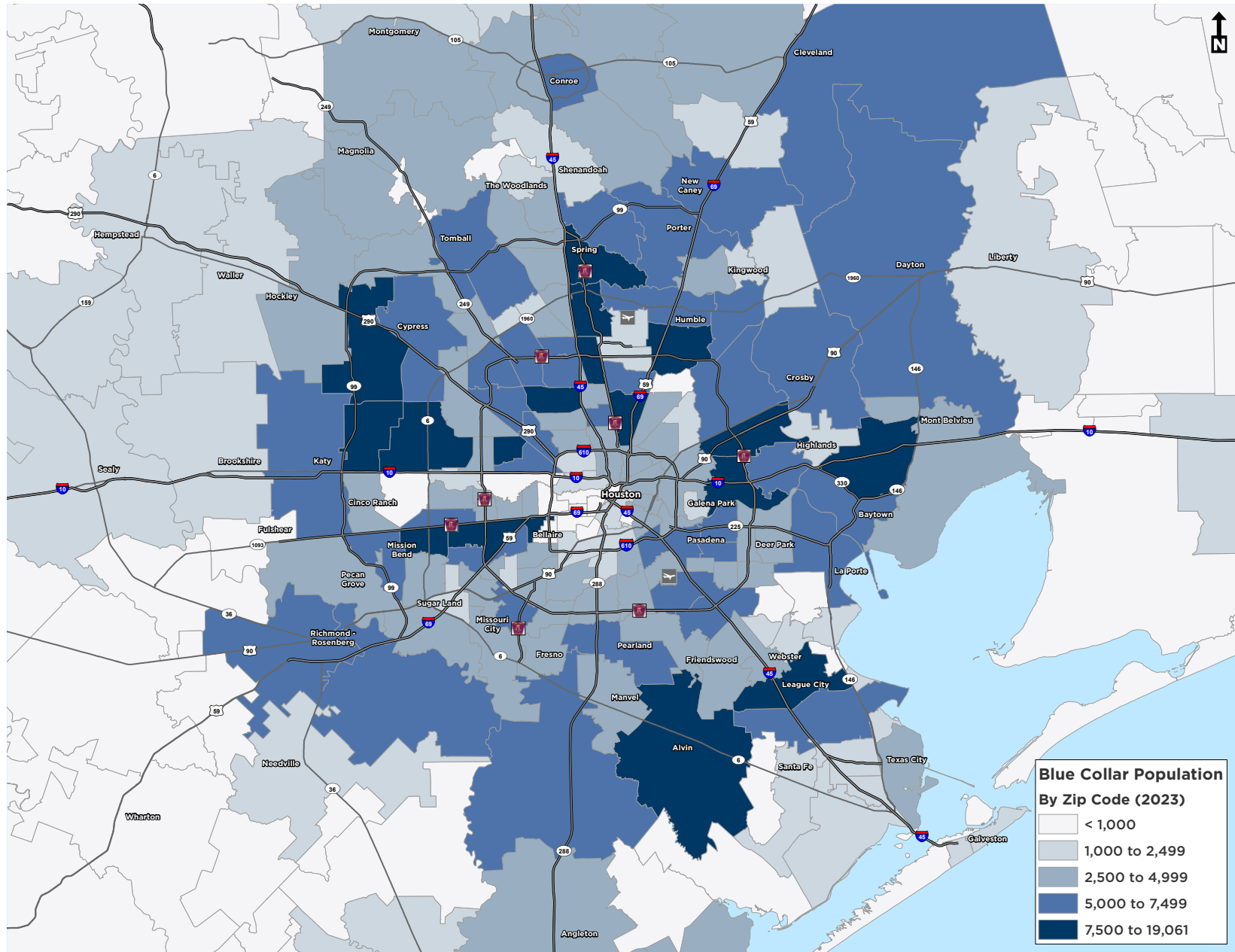
AREA FLOOD PLAIN



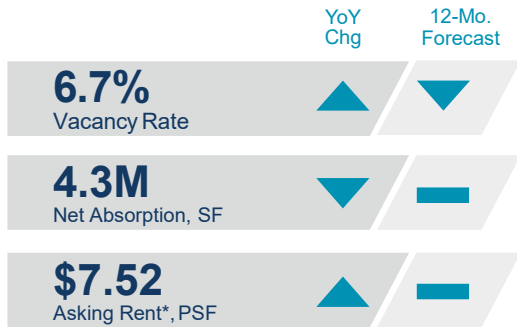
LOCATION OVERVIEW



LABOR MAP

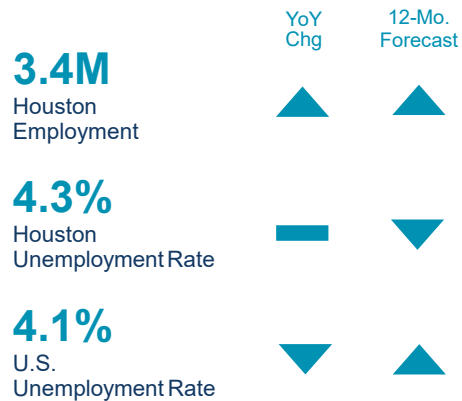


MARKET OVERVIEW



(Overall, All Property Classes)
* Rental rates reflect net asking \$psf/year

ECONOMIC INDICATORS Q2 2024



Source: BLS, Moody's Analytics

ECONOMY

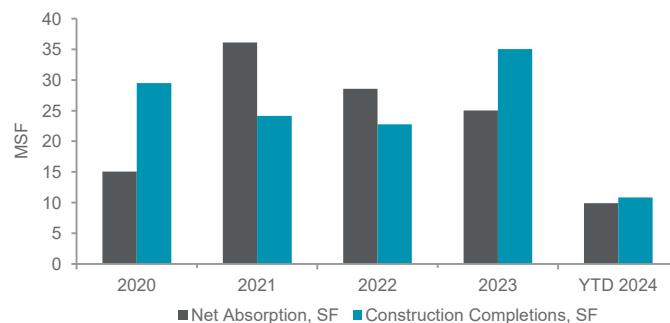
Total employment stood at 3.4 million in Houston's metro area at the end of Q2 2024, representing a 2.3% year-over-year (YOY) increase. While Houston's job growth continues to slow, the 2.3% increase surpassed the 1.7% YOY growth experienced nationwide. Among the 10 U.S. markets with the largest labor forces, Houston's 2.3% YOY growth ranked second, just behind Miami at 2.7%. Houston's unemployment rate remained unchanged YOY at 4.3%. The region's industrial-using employment added 8,223 jobs over the past year, representing a 0.9% YOY rise. Industrial-using employment totaled 930,921 jobs as of Q2 2024 and accounts for 27.0% of the total jobs in the region. Industrial-using roles are described as positions that fall within manufacturing and trade, transportation, and utilities.

SUPPLY

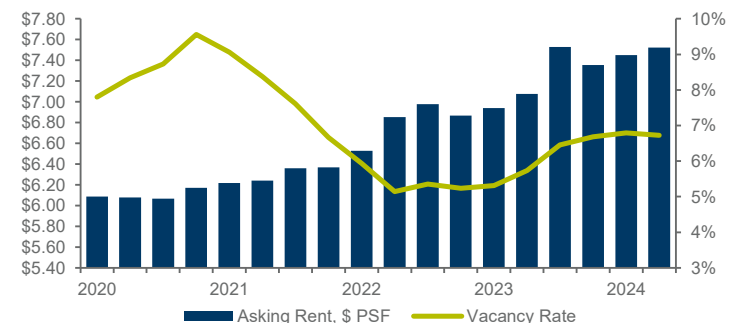
As the development pipeline continues to wane, 3.6 million square feet (msf) started construction in Q2 2024, accounting for nearly a third of the total 10.9 msf under construction in Houston. Although Houston's development has decreased substantially amidst elevated interest rates and normalized demand, this represents an uptick in construction starts compared to recent quarters. Most of the construction activity is taking place in the Southeast (4.2 msf) and North (2.2 msf) submarkets, together accounting for nearly 60.0% of the total construction activity. Just over 4.2 msf of product delivered this quarter, bringing the year-to-date total deliveries to 10.9 msf. Out of the new deliveries during the current quarter, 1.3 msf (31.4%) delivered preleased, leaving the remaining 2.9 msf (68.6%) vacant upon delivery.

The Houston industrial market currently has 4.3 msf of sublease space available (0.7%), nearly 2.0 msf less than the previous quarter. This decline is mostly due to a few notable subleases that were signed this quarter, including one sublease totaling 1.2 msf that on its own previously accounted for nearly a quarter of the total sublease space available. With just 4.3 msf available for sublease, Houston's sublease availability is now back in line with pre-pandemic norms. Nonetheless, Houston will likely continue to experience an influx of sublease availabilities as tenants adjust to a slower economy compared to recent years.

SPACE DEMANDS / DELIVERIES



OVERALL VACANCY & OVERALL ASKING RENT



MARKET OVERVIEW

DEMAND

Houston's industrial demand remained healthy in Q2 2024, posting 8.1 msf of new leasing activity. While this is a slight decrease from the 8.7 msf of new leasing in the previous quarter, it is in line with the quarterly average from 2023 (8.3 msf), displaying Houston's consistent industrial demand. Deal volume also lined up with last year's quarterly average, with 178 leases closed during Q2 2024. The North (2.7 msf) and Northwest (1.8 msf) contributed most, collectively recording over half of the quarter's total leasing activity. Absorption declined for the second consecutive quarter but remains healthy at 4.3 msf absorbed. While this is the lowest quarterly absorption for Houston since Q4 2020, it is a sign of continued sustainable growth as the broader industrial market normalizes following the pandemic boom. As one of just three markets that recorded more than 4 msf of positive net absorption during the quarter, Houston ranks amongst the nation's top industrial markets. Notably, Houston's absorption was balanced for the second consecutive quarter, closely matching the amount of new space delivered during the quarter (4.2 msf).

Houston's overall vacancy levelled off in Q2 2024 after rising for five consecutive quarters, closing Q2 2024 at 6.7% vacant. This represents a 10-bp decrease quarter-over-quarter (QOQ), and a 100-bp increase YOY. Despite recent increases, current vacancy remains just beneath the 5-year historical average (6.9%). Vacancy is expected to stabilize and may decline throughout the latter half of the year as supply constrains.

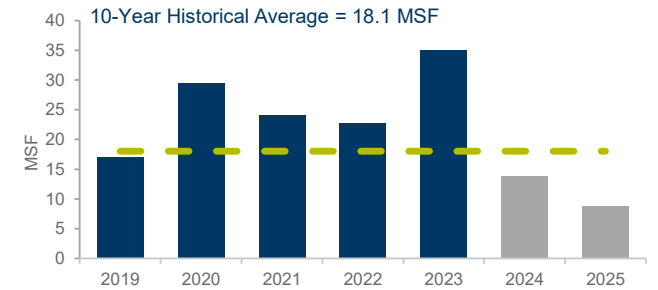
PRICING

Average asking rents continued to climb in Q2 2024, closing the quarter at \$7.52 per square foot (psf). This represents a 0.9% increase QOQ from the previous quarter's rate of \$7.45, and an increase of 6.3% YOY from \$7.08 in Q2 2023. Average rental rates are expected to remain elevated throughout the next several years, but growth will slow as demand settles to pre-pandemic levels. The South and North led all markets with the highest asking rates, closing Q2 2024 at \$8.68 psf and \$8.07 psf, respectively. For warehouse/distribution, the bulk of the industrial market, asking rates rose 1.4% QOQ to \$7.29 psf.

OUTLOOK

- Driven by logistics and transportation demand, Houston continues to post consistent growth and will remain amongst the nation's top industrial markets.
- As the benefits of new supply fade due to a normalized development pipeline, absorption is expected to decline, but remain positive and healthy.
- While sublease availability may continue to rise, Houston's sublease availability remains at historical norms following a strong quarter.

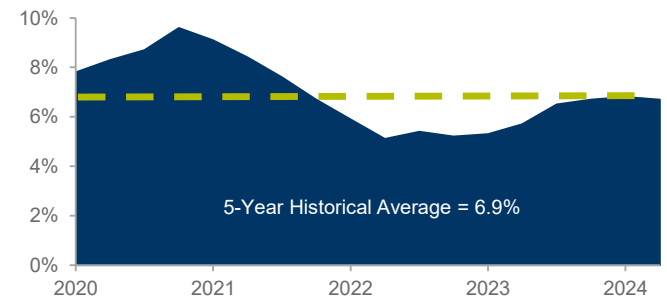
NEW SUPPLY (MSF)



OVERALL NET ABSORPTION / OVERALL ASKING RENT



OVERALL VACANCY



PORT OF HOUSTON UPDATE

Q2 2024



With over **1.7 million loaded TEUs** thus far in 2024, the Port of Houston is on track to have its **best year on record**.

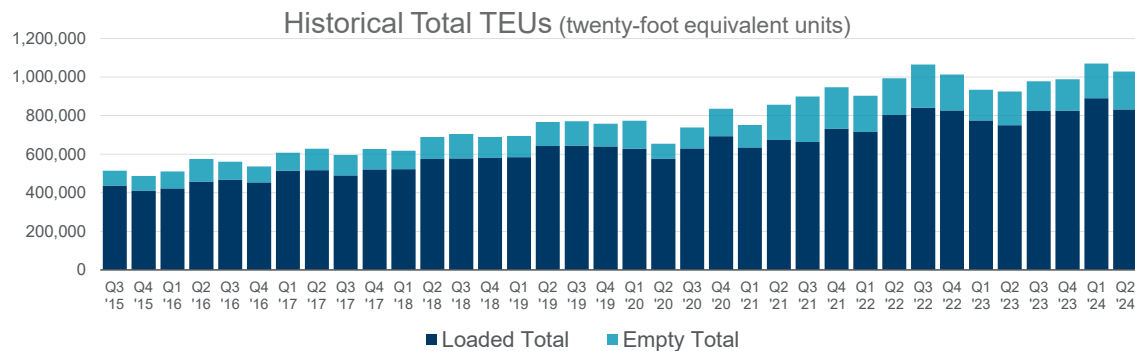
PORT OF HOUSTON HIGHLIGHTS



- 5th ranked U.S. container port by total TEUs
- Largest Gulf Coast container port, handling 73% of U.S. Gulf Coast container traffic
- Largest Texas port with 97% market share in containers

QUARTERLY COMPARISON TEU

	2024 Q2	2023 Q2	Difference	% Change
Loaded Inbound	465,260	427,101	+39,159	8.9%
Loaded Outbound	365,720	323,264	42,456	13.1%
Total Loaded	830,980	750,365	+80,615	10.7%
Total Empties	197,220	173,979	+23,241	11.2%
Total TEUs	1,028,200	924,344	+103,856	11.2%
Industrial Market Vacancy Rate	6.7%	5.7%	+100 basis points	



Following a record quarter for the Port of Houston in Q1 2024, the port posted another strong quarter. With approximately 1,028,200 total TEUs moving through the port, container activity grew 11.2% year-over-year (YOY). Loaded TEUs totaled 830,980 during the quarter, representing 80.8% of the total TEUs. 465,260 of the loaded TEUs were inbound, while the remaining 365,720 loaded TEUs were outbound. Both inbound and outbound loaded TEUs grew YOY, increasing by 8.9% and 13.1%, respectively. While activity in many other major U.S. ports remains beneath TEUs peaks experienced during the pandemic, the Port of Houston continues to prosper, posting healthy and sustainable growth figures.



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HOUSTON INTERCONTINENTAL AIRPORT

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