

WHY HOUSTON?

DISCOVER AMERICA'S GREAT GLOBAL CITY
ECONOMIC ENGINE, ENERGY GIANT, GROWTH AND DIVERSITY LEADER



From Senior Managing Director Peter Mainguy:
**WHEN PEOPLE ASK WHY HOUSTON,
MY IMMEDIATE ANSWER IS WHY NOT?**



PETER MAINGUY
SR. MANAGING DIRECTOR

With over 7 million residents, the Houston metropolitan area continues to be one of the fastest growing metros in the nation. The area is home to a mix of industries that create thousands of jobs that make up a local gross metropolitan product (GMP) of \$512 billion – a figure that is expected to double by 2040.

Many know Houston as the energy capital of the world, but much like the people who live here, the economy is also deeply diverse. Our medical center contains over 60 different institutions; it has become known as the largest medical complex in the world, treating approximately 10 million patients a year. Houston is one of the most important industrial bases in the world. There are more than 6,400 manufacturers in the region producing more than \$80 billion of products annually. Houston is also an ideal hub for distribution, with 50 percent of the U.S. population within a 1,000-mile radius. The area has multiple ports, including The Port of Houston – the No. 1 port in the U.S. in terms of foreign waterborne tonnage.

All of these facts and figures paint the picture of Houston as a great global city; CBRE has captured these valuable statistics to illustrate Houston’s opportunities for continued investment and growth.

While we hope you find this piece informative, our main goal is to make you curious enough to ask and explore why Houston is truly an economic engine that will continue to flourish. And when you’re ready to ask that question, CBRE’s leading sales professionals are ready to offer their insights and expertise and partner with you for your success.

A handwritten signature in blue ink, appearing to read 'P. Mainguy'.

WHY HOUSTON?

Q2 2021

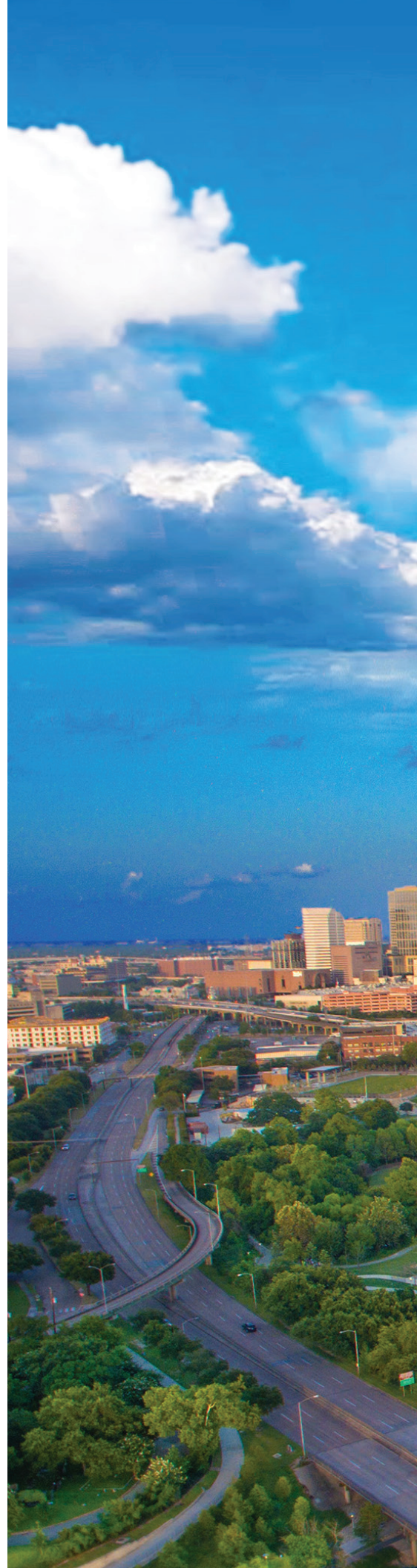


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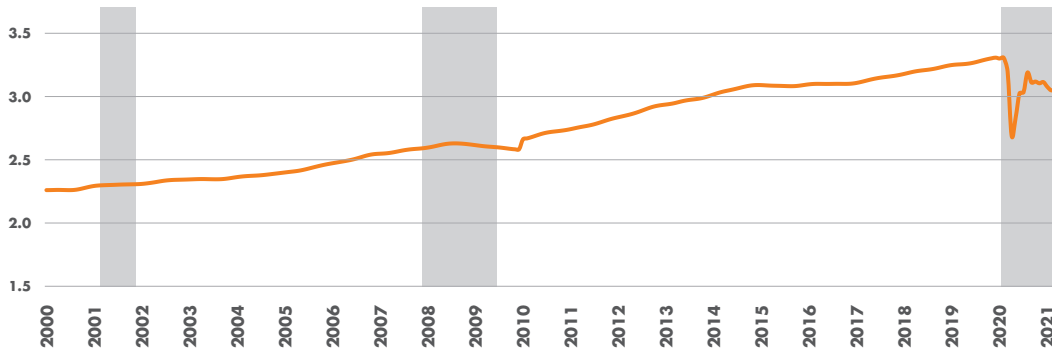
OUR EMPLOYMENT

OVERALL EMPLOYMENT REMAINS HEALTHY

HEALTHY ECONOMIC INDICATORS SHOW CONTINUING GROWTH FOR HOUSTON

EMPLOYMENT GROWTH

JOBS (MILLIONS)



272,100
JOBS ADDED
MAY 2020 TO MAY 2021

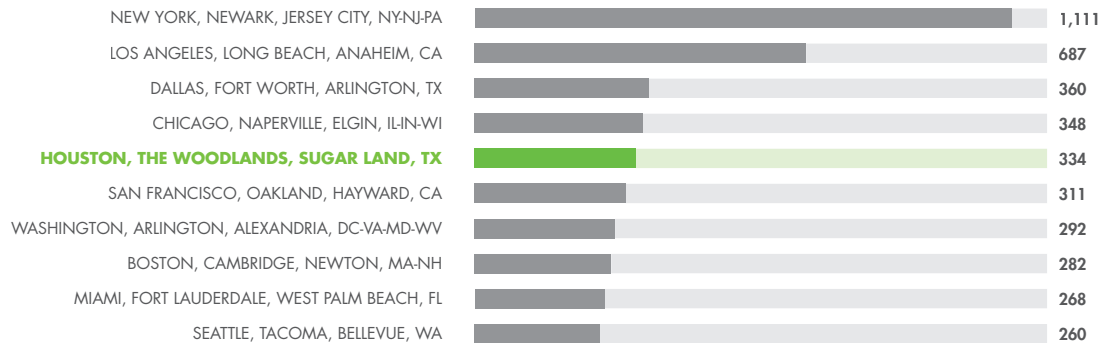
RECESSIONS EMPLOYMENT

Sources: Bureau of Labor Statistics, January 2020, CBRE Research, Oxford Economics.

TOP 10 METROS WITH MOST PROJECTED NEW JOBS 2020-2025

334,000

JOBS FORECASTED BY 2025



INCREASINGLY DIVERSIFIED

\$512B
CURRENT GMP

GMP EXPECTED
2X BY 2040

90K
JOBS FORECASTED FOR 2020-2021

145K
JOBS FORECASTED FOR 2021-2022



Sources: Greater Houston Partnership; Oxford Economics; CBRE Research Q4, 2020.

Source: Bureau of Labor Statistics, May 2020.

OUR ECONOMY

ENERGY SECTOR



4,600+ ENERGY-RELATED FIRMS

25% OF THE NATION'S OIL & GAS JOBS ARE IN HOUSTON

100+ HOUSTON'S SOLAR-RELATED COMPANIES

30+ HOUSTON'S WIND-RELATED COMPANIES

TEXAS LEADS THE NATION IN WIND-POWERED GENERATION AND PRODUCED ABOUT 28% OF ALL U.S. WIND-POWERED ELECTRICITY IN 2020

237,000+ ENERGY EMPLOYMENT

71,000 ONE OF THE HIGHEST CONCENTRATIONS OF ENGINEERING TALENT IN THE NATION

\$3.7B CLEANTECH VENTURE CAPITAL FUNDING

2.6M BARRELS OF CRUDE OIL PROCESSED IN HOUSTON

Source: Greater Houston Partnership, April 2019.

PORT OF HOUSTON



LARGEST GULF COAST CONTAINER PORT

HANDLES **69%** OF U.S. GULF COAST CONTAINER TRAFFIC & **96%** OF TEXAS CONTAINER TRAFFIC

4 HOUSTON REGION SEAPORTS HOUSTON, TEXAS CITY, FREEPORT, & GALVESTON

#1 U.S. PORT IN FOREIGN WATERBORNE TONNAGE

#1 U.S. PORT IN TOTAL FOREIGN AND DOMESTIC WATERBORNE TONNAGE

247M+ TONS OF CARGO MOVE THROUGH THE GREATER PORT OF HOUSTON EACH YEAR, CARRIED BY MORE THAN 8,200 VESSELS AND 215,000 BARGES

285M TONS OF CARGO IN TOTAL LAST YEAR, ABOUT 47 MILLION TONS MORE THAN ANY OTHER U.S. PORT AND A 6% INCREASE OVER 2018

Sources: Port of Houston, 2021, Greater Houston Partnership, March.

PETROCHEMICAL INDUSTRY



LARGEST PETROCHEMICAL IN THE U.S. 2ND LARGEST IN THE WORLD

HOUSTON ALONE ACCOUNTS FOR OVER **44% OF THE NATION'S BASE PETROCHEMICAL CAPACITY**

PETROCHEMICAL MARKET EXPECTED TO GROW **\$276B** THIS DECADE

GLOBAL PETROCHEMICAL MARKET GROWTH **5% A YEAR THROUGH 2030** TO \$729 BILLION FROM \$453 BILLION

Sources: Greater Houston Partnership, March 2019, Ocean Insights.

TEXAS MEDICAL CENTER



LARGEST CHILDREN'S & CANCER HOSPITALS IN THE WORLD

10M PATIENT VISITS PER YEAR

26,280 BIRTHS PER YEAR, **1 BABY** EVERY 20 MINUTES

1 SURGERY EVERY 3 MINUTES

37 ACRES WORLD-CLASS, LIFE SCIENCE COMPLEX ENABLE HEALTHCARE, SCIENCE, ACADEMIA, GOVERNMENT, INDUSTRY, MANUFACTURING, AND THE NOT-FOR-PROFIT SECTOR TO COLLABORATE ON NEW MEDICINES, MEDICAL DEVICES, DIAGNOSTIC AND DIGITAL HEALTH PLATFORMS, AND TREATMENT SOLUTIONS

106,000+ EMPLOYEES

8TH LARGEST BUSINESS DISTRICT IN THE U.S.

\$3B IN CONSTRUCTION PROJECTS UNDERWAY

50M DEVELOPED SF TMC'S CAMPUS

Source: The Texas Medical Center, October 2021.

HOUSTON AIRPORT SYSTEM



\$36.4B TO THE LOCAL ECONOMY RESPONSIBLE FOR MORE THAN **190,000 JOBS**

60M PASSENGERS SERVED FROM THREE-AIRPORT SYSTEM

37 COUNTRIES WITH DIRECT SERVICE FROM HOUSTON

180+ NON-STOP DESTINATIONS FROM TWO INTERNATIONAL AIRPORTS

#1 BEST U.S. AIRPORT GEORGE BUSH INTERNATIONAL AIRPORT

#3 NORTH AMERICA REGIONAL AIRPORT WILLIAM P. HOBBY AIRPORT

Sources: Greater Houston Partnership, HAS, January 2021.

AEROSPACE/AVIATION



500+ SPACE, AVIATION, AND AEROSPACE RELATED FIRMS AND INSTITUTIONS

AXIOM STATION THE NATION'S 10TH COMMERCIALY LICENSED SPACEPORT ON 14 ACRES, WILL BE HOME TO THE WORLD'S FIRST COMMERCIAL SPACE STATION BUILDER, AXIOM SPACE

\$4.7B THE JOHNSON SPACE CENTER (JSC) IMPACT ON THE TEXAS ECONOMY

52,000 JOBS

Source: Greater Houston Partnership, July 2021.

OUR PEOPLE

COST OF LIVING INDEX

\$387,105
AVERAGE HOME

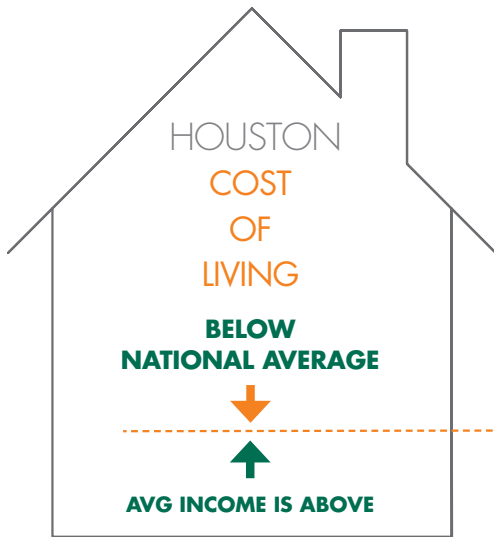
1.4 MONTHS
HOUSING SUPPLY

105,819
SINGLE FAMILY HOME SALES/MAY 2021

22,607
ACTIVE LISTINGS

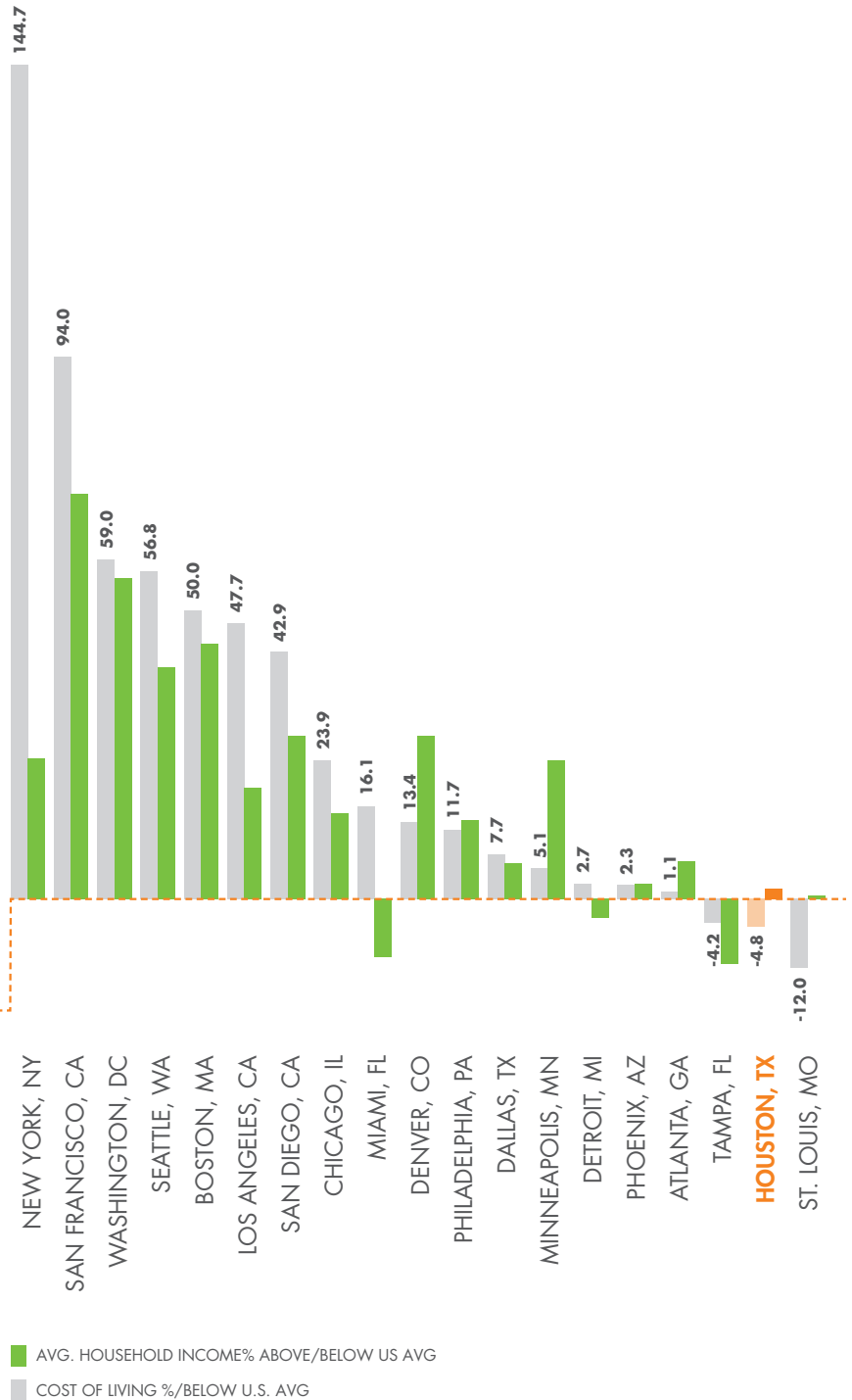
38,300
HOMES STARTED

2ND IN USA Q1 2021



Source: Greater Houston Partnership December 2020.

HOUSEHOLD INCOME AND COST OF LIVING
% BELOW/ABOVE U.S. AVERAGE



Sources: Bureau of Labor Statistics, January 2020, CBRE Research, Oxford Economics.

SINGLE FAMILY OVERVIEW

HOUSTON #2 IN USA FOR ANNUAL NEW HOME START

HOUSTON'S POPULATION HAS INCREASE OVER 19.1% (1.1 M) SINCE 2010. OF THE TOP 20 MOST POPULATED MARKETS IN THE U.S., HOUSTON HAS SEEN THE HIGHEST PERCENT POPULATION GROWTH IN THE PAST DECADE.

| RANK | MARKET | ANN'L STARTS | ANN'L CHANGE | % |
|----------|-------------------------|---------------|--------------|--------------|
| 1 | Dallas/Ft Worth | 38,262 | 4,977 | 15.0% |
| 2 | HOUSTON | 32,300 | 3,078 | 10.5% |
| 3 | Central Florida | 28,852 | 1,182 | 4.3% |
| 4 | Phoenix/Tucson | 28,170 | 3,580 | 14.6% |
| 5 | Atlanta | 24,769 | 636 | 2.6% |
| 6 | Austin | 20,517 | 4,113 | 25.1% |
| 7 | Denver/Colorado Springs | 20,263 | 765 | 3.9% |
| 8 | Southern California | 16,253 | (1,037) | -6.0% |
| 9 | Salt Lake City | 14,653 | 2,258 | 18.2% |
| 10 | Northern California | 14,324 | (379) | -2.6% |
| 11 | San Antonio | 14,056 | 1,554 | 12.4% |
| 12 | Charlotte | 13,033 | 1,135 | 9.5% |
| 13 | Raleigh/Durham | 13,028 | 539 | 4.3% |
| 14 | Tampa | 12,827 | 642 | 5.3% |
| 15 | Philadelphia Region | 11,468 | (169) | -1.5% |
| 16 | Las Vegas | 10,902 | 234 | 2.2% |
| 17 | Seattle | 10,687 | 334 | 3.2% |
| 18 | Nashville | 10,596 | 2,182 | 25.9% |
| 19 | Central California | 10,563 | 225 | 2.2% |
| 20 | Suburban Maryland | 10,082 | (1,310) | -11.5% |



OUR DIVERSITY

HOUSTON LEADS THE NATION IN ETHNIC MAKE UP



7.1M

RESIDENTS

1 IN 4

HOUSTONIANS ARE FOREIGN BORN

THE HOUSTON REGION HAS NO RACIAL OR ETHNIC MAJORITY

91,078

RESIDENTS ADDED IN 2020

3RD LARGEST POPULATION GAIN OF ANY U.S. METRO AREA IN 2020

Source: U.S. Census Bureau, Vintage 2020.

GLOBAL PRESENCE

78

FOREIGN CONSULATES

19

FOREIGN BANKS

1,700+

FOREIGN OWNED-FIRMS

145

LANGUAGES SPOKEN

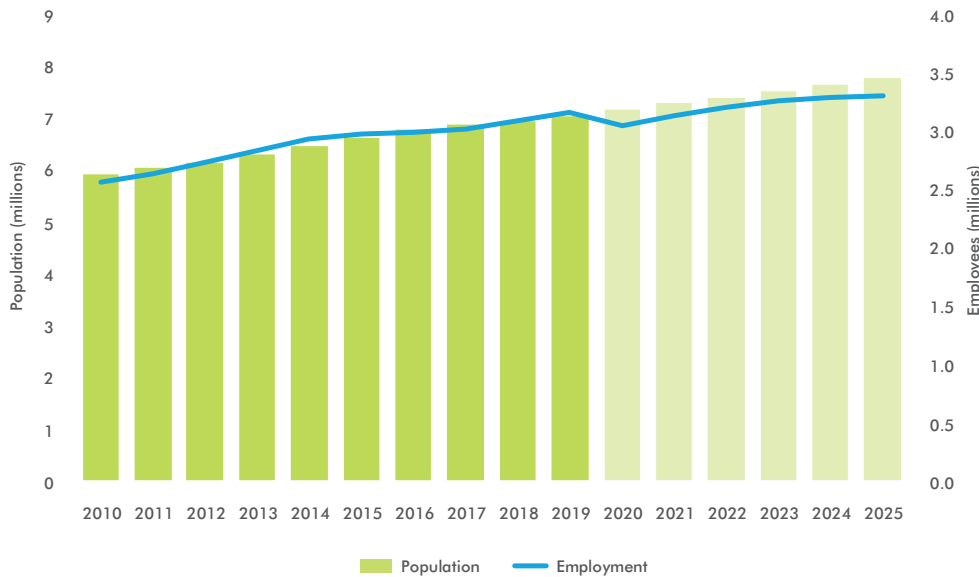
Sources: Greater Houston Partnership, Dec 2020.



HOUSTON GROWTH

AN INCREASE OVER 19.1% (1.1 M) SINCE 2010

HOUSTON'S POPULATION HAS INCREASED OVER 19.1% (1.1 M) SINCE 2010. OF THE TOP 20 MOST POPULATED MARKETS IN THE U.S., HOUSTON HAS SEEN THE HIGHEST PERCENT POPULATION GROWTH IN THE PAST DECADE.



19%
POPULATION GROWTH

2.3%
AVG. ANNUAL GROWTH

91,078
RESIDENTS ADDED IN 2020

342+
NEW RESIDENTS A DAY

Source: Oxford Economics, US Census Bureau of Labor Statistics, 2020.

MIGRATION

| RANK | MARKET | SUM 2010-2019 NET MIGRATION |
|----------|---|-----------------------------|
| 1 | Dallas-Fort Worth-Arlington | 734,720 |
| 2 | HOUSTON-THE WOODLANDS-SUGAR LAND | 671,790 |
| 3 | Phoenix-Mesa-Scottsdale | 545,590 |
| 4 | Miami-Fort Lauderdale-West Palm Beach | 511,710 |
| 5 | Atlanta-Sandy Springs-Roswell | 426,120 |
| 6 | Tampa-St. Petersburg-Clearwater | 399,990 |
| 7 | Seattle-Tacoma-Bellevue | 352,360 |
| 8 | Denver-Aurora-Lakewood | 268,350 |
| 9 | Washington-Arlington-Alexandria | 246,650 |
| 10 | San Francisco-Oakland-Hayward | 200,090 |
| 11 | Boston-Cambridge-Newton | 180,190 |
| 12 | Riverside-San Bernardino-Ontario | 160,530 |
| 13 | Minneapolis-St. Paul-Bloomington | 94,820 |
| 14 | San Diego-Carlsbad | 47,690 |
| 15 | Baltimore-Columbia-Towson | 6,100 |
| 16 | Philadelphia-Camden-Wilmington | -26,280 |
| 17 | Detroit-Warren-Dearborn | -81,440 |
| 18 | Los Angeles-Long Beach-Anaheim | -114,740 |
| 19 | Chicago-Naperville-Elgin | -174,140 |
| 20 | New York-Newark-Jersey City | -647,880 |

HOUSTON'S NET MIGRATION (# MOVING IN MINUS # MOVING OUT) IS OVER **670,000** SINCE 2010

OF THE TOP 20 MOST POPULATED MARKETS IN THE U.S., HOUSTON HAS SEEN THE **2ND HIGHEST NET MIGRATION** IN PAST DECADE.

HOUSTON IS THE **#1 U-HAUL DESTINATION** 10TH STRAIGHT YEAR.



HOUSTON WORKFORCE

HOUSTON IS RANKED #4 IN TOTAL ENGINEERS

HOUSTON HAS THE HIGHEST MEDIAN INCOME FOR ENGINEERS IN THE TOP 10 ENGINEER MARKETS.

| RANK | METRO | TOTAL ENGINEERS |
|----------|--|-----------------|
| 1 | Los Angeles-Long Beach-Anaheim, CA | 102,890 |
| 2 | Detroit-Warren-Dearborn, MI | 92,080 |
| 3 | New York-Newark-Jersey City, NY-NJ-PA | 75,770 |
| 4 | Houston-The Woodlands-Sugar Land, TX | 74,770 |
| 5 | Boston-Cambridge-Nashua, MA-NH | 65,250 |
| 6 | Chicago-Naperville-Elgin, IL-IN-WI | 57,600 |
| 7 | Washington-Arlington-Alexandria, DC-VA-MD-WV | 55,660 |
| 8 | San Jose-Sunnyvale-Santa Clara, CA | 53,360 |
| 9 | Dallas-Fort Worth-Arlington, TX | 52,850 |
| 10 | San Francisco-Oakland-Hayward, CA | 50,050 |
| 11 | San Diego-Carlsbad, CA | 42,760 |
| 12 | Philadelphia-Camden-Wilmington, PA-NJ-DE-MD | 42,500 |
| 13 | Minneapolis-St. Paul-Bloomington, MN-WI | 39,200 |
| 14 | Atlanta-Sandy Springs-Roswell, GA | 38,010 |
| 15 | Seattle-Tacoma-Bellevue, WA | 37,740 |
| 16 | Portland-Vancouver-Hillsboro, OR-WA | 33,530 |
| 17 | Phoenix-Mesa-Scottsdale, AZ | 32,350 |
| 18 | Denver-Aurora-Lakewood, CO | 31,340 |
| 19 | Baltimore-Columbia-Towson, MD | 25,860 |
| 20 | Pittsburgh, PA | 22,060 |

Source: Bureau of Labor Statistics, May 2019.

PUT MAN ON THE MOON FOR THE FIRST TIME

HELPED BUILD THE WORLD'S FIRST
DOMED AIR-CONDITIONED
INDOOR STADIUM – THE ASTRODOME

DESIGNED THE TRANS-ALASKA
PIPELINE SYSTEM

ARE THE BRAINS BEHIND DEEP SEA OIL RIGS
ALL OVER THE WORLD



STARTUP FUNDING ON THE RISE

HOUSTON VENTURE CAPITAL FUNDING BY SECTOR (\$ MILLION)

| | 2016 | 2017 | 2018 | 2019 | 2020 | TOTAL |
|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Healthcare | 124.1 | 206.7 | 192.7 | 262.3 | 256.0 | 1041.8 |
| Information Technology | 79.4 | 156.0 | 121.6 | 168.2 | 201.7 | 726.9 |
| Business Services (B2B) | 32.1 | 35.6 | 62.1 | 54.7 | 150.1 | 334.6 |
| Energy | 27.7 | 12.1 | 63.3 | 128.5 | 39.9 | 271.5 |
| Consumer Products (B2C) | 18.1 | 7.6 | 7.9 | 54.0 | 45.1 | 132.7 |
| Materials and Resources | 0.1 | 1.7 | 27.3 | 32.4 | 34.3 | 95.8 |
| Financial Services | 2.4 | 0.0 | 1.5 | 2.2 | 25.5 | 31.6 |
| Total | 283.9 | 419.7 | 476.4 | 702.3 | 752.6 | 2634.9 |

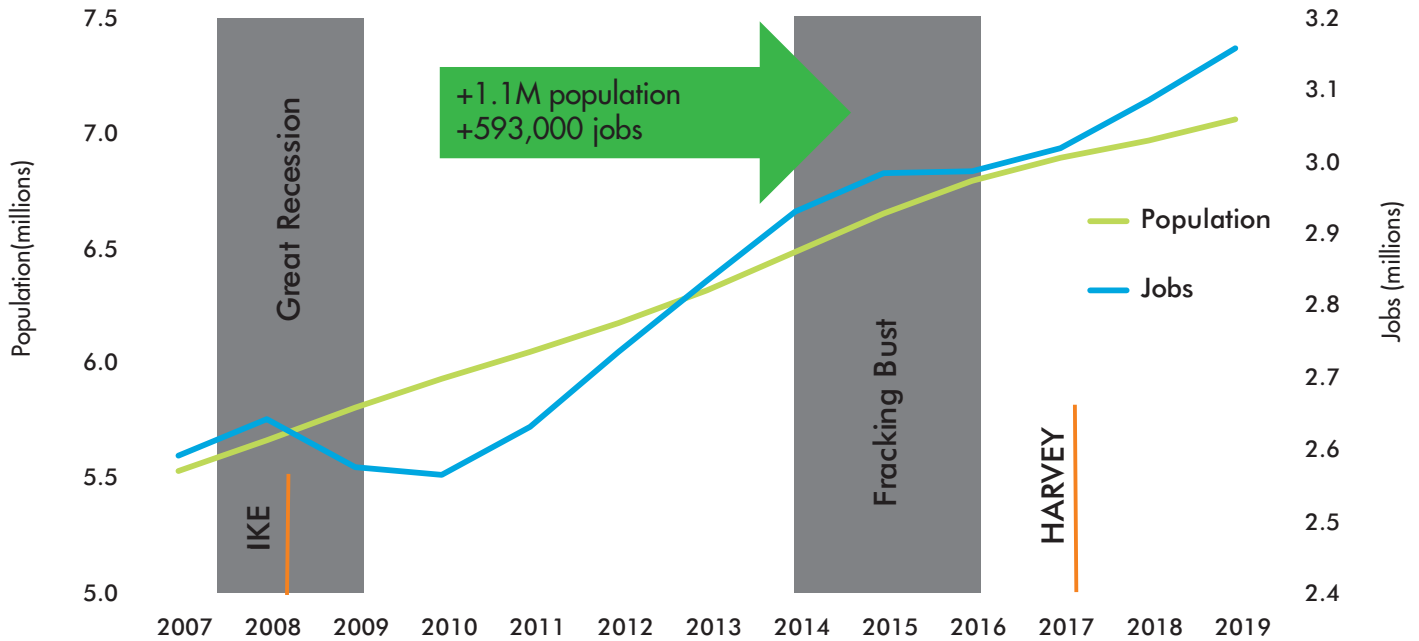
Source: Greater Houston Partnership; Pitchbook.



HOUSTON RESILIENCE

GROWING AND THRIVING AMIDST ECONOMIC CHALLENGES

FROM '10 TO '19, HOUSTON ENDURED TWO ECONOMIC DOWNTURNS (THE GREAT RECESSION AND THE FRACKING BUST) AND TWO MAJOR STORMS (HURRICANES IKE AND HARVEY), AND YET THE REGION DEMONSTRATED REMARKABLE GROWTH OVER THAT PERIOD, GAINING 1.1 MILLION RESIDENTS, CREATING NEARLY 600,000 JOBS, AND ADDING \$140 BILLION (IN NOMINAL DOLLARS) TO ITS GROSS DOMESTIC PRODUCT (GDP).



OUR QUALITY OF LIFE

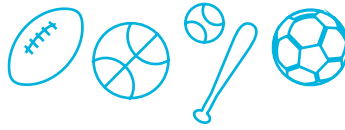
PARKS & RECREATION



580 PARKS
66,600
ACRES OF PARK LAND
RANKED #1
IN THE NATION FOR
TOTAL GREEN SPACE

Source: Greater Houston Partnership, May 2021.

PROFESSIONAL SPORTS



TEXANS
DYNAMO
ASTROS
ROCKETS
HOUSTON DASH

THE CITY'S
FOUR STADIUMS
CAN HOLD
OVER **150K** FANS
COLLECTIVELY

Source: Greater Houston Partnership, December 2020.

CULINARY CAPITAL OF TEXAS



+10K RESTAURANTS
70 CUISINES
643 BARS
700 FOOD TRUCKS

Sources: Greater Houston Partnership, Q1 2020.

EDUCATION



1.3M+
STUDENTS
40+
2-YEAR COMMUNITY COLLEGES
& 4-YEAR UNIVERSITIES
50
TRADE & BUSINESS SCHOOLS

Source: Greater Houston Partnership, May 2021.

ART & CULTURE

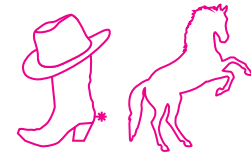


500+ INSTITUTIONS
FOR ART,
SCIENCE,
AND HISTORY

COMPANIES IN ALL
4 MAJOR
PERFORMING ARTS
DRAMA,
BALLET,
OPERA,
AND ORCHESTRA

Source: Greater Houston Partnership, December 2020.

LIVESTOCK SHOW & RODEO



ANNUAL AGGREGATE
GROSS SALES
INCREASED BY **\$480M**

+\$26.7 MILLION
RAISED FOR
SCHOLARSHIPS AND
EDUCATION

ATTRACTING OVER
2.4M VISITORS
IN 2018

Source: Houston Livestock Show and Rodeo, Q1 2020.

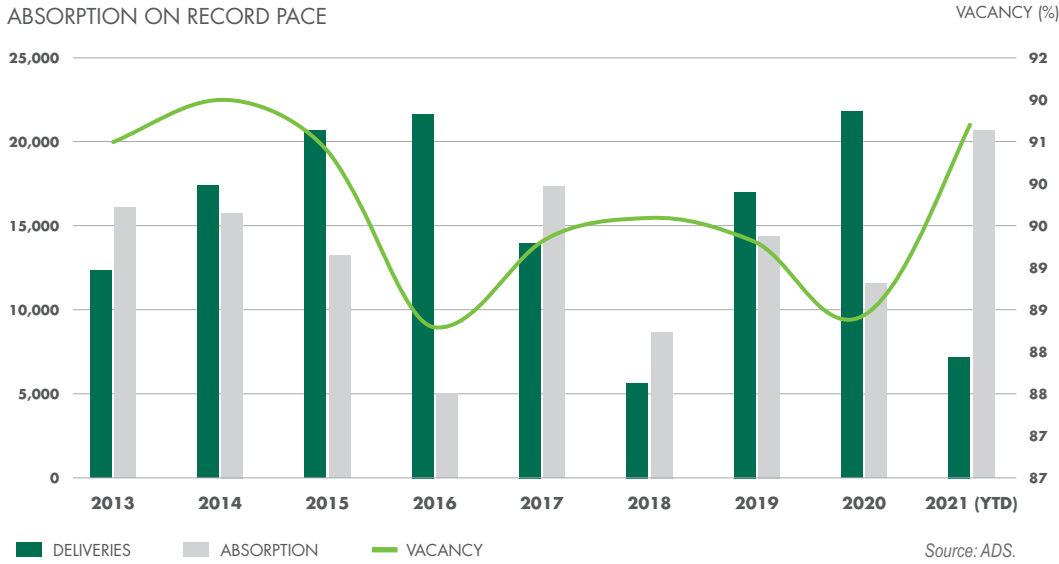
MULTIFAMILY MARKET

RENTS AND OCCUPANCY EDGE DOWN

RENTS AND OCCUPANCY EDGE DOWN DUE TO COVID-19.

DEVELOPMENT PIPELINE AND ABSORPTION

ABSORPTION ON RECORD PACE



694K UNITS
TOTAL INVENTORY

\$1.74 PSF
CLASS A

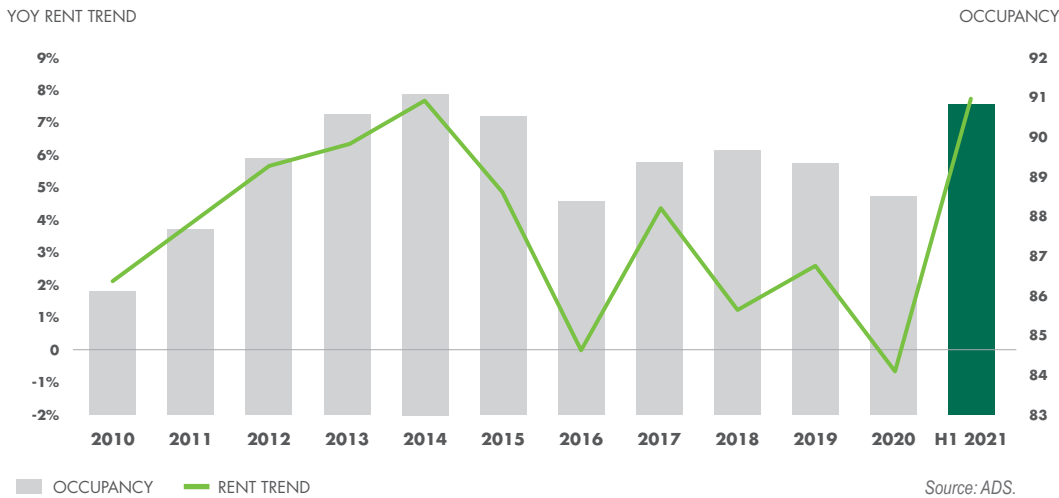
\$1.30 PSF
CLASS B

14,902 SF
UNDER CONSTRUCTION

7,149
DELIVERIES

THRU H1 2021 MARKET TRENDS

RENTS INCREASE WITH DEMAND HIGH AND OCCUPANCY ON THE RISE



20,600 UNITS
ABSORBED
H1 2021

(12YR ANNUAL AVG = 11,300)

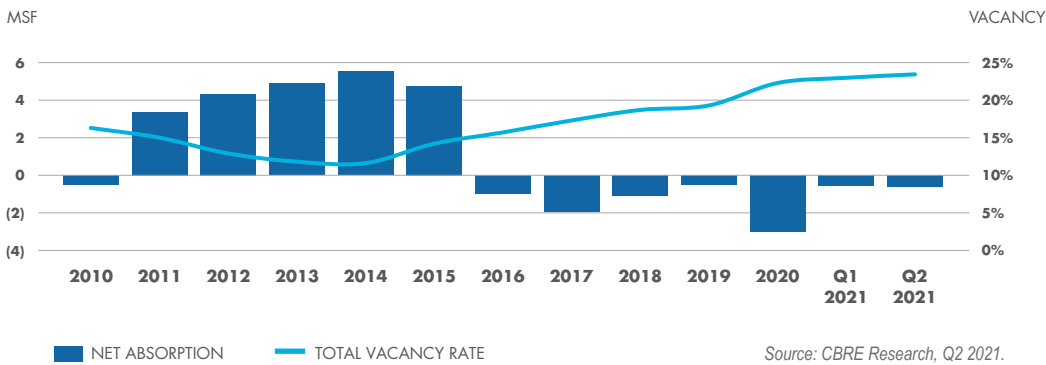
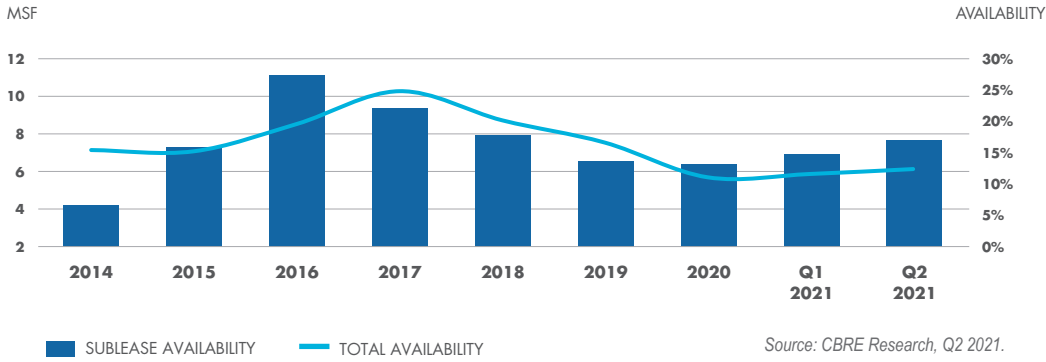
OCCUPANCY
90.7%



OFFICE MARKET

FLIGHT TO QUALITY

NET ABSORPTION (DIRECT) IS POSITIVE FOR BUILDINGS BUILT AFTER 2010, BUT HAS BEEN NEGATIVE FOR THE PAST 7 YEARS FOR THOSE BUILT BEFORE 2010



220.0 MSF
TOTAL INVENTORY Q221

\$35.47 PSF
CLASS A RENT

\$28.86 PSF
OVERALL RENT

3.9 MSF
UNDER CONSTRUCTION

0.7 MSF
NET ABSORPTION

23.5%
VACANCY

7.6 MSF
SUBLEASE



MEDICAL OFFICE MARKET

FUNDAMENTALS REMAIN STRONG

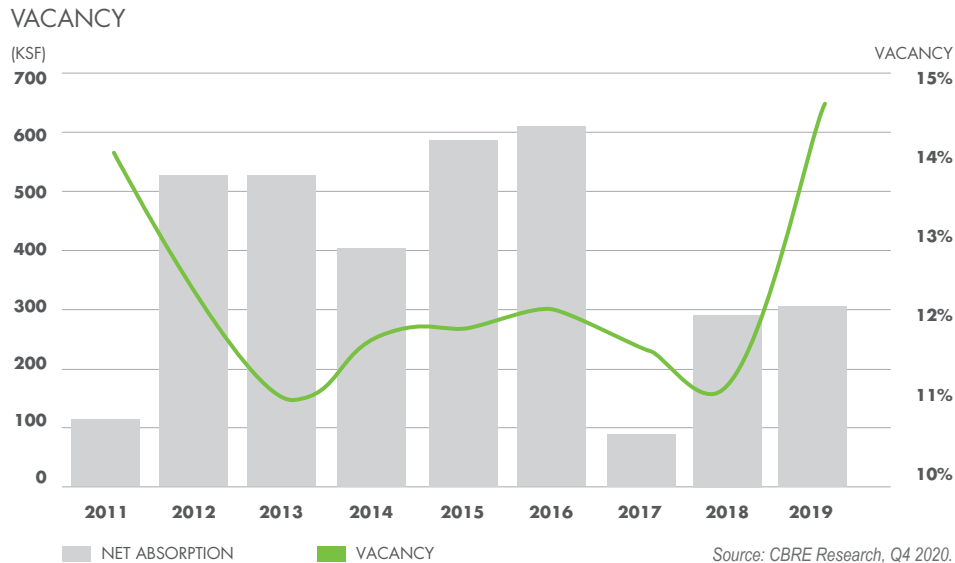
HOUSTON MOB MARKET HOLDS STEADY TO CLOSE OUT 2019.

29 MSF
TOTAL INVENTORY

\$30.80 PSF
CLASS A RENT

\$26.80 PSF
OVERALL RENT

789,567 SF
UNDER CONSTRUCTION



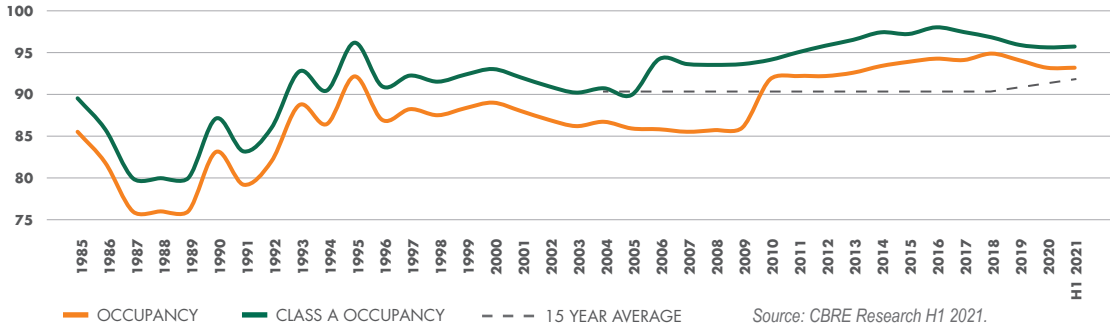
RETAIL MARKET

HOUSTON RETAIL MARKET OCCUPANCY HOLDS STEAD AS THE RETURN TO NORMALCY NEARS

OVERALL OCCUPANCY STILL REMAINS 1.4% ABOVE THE 15-YEAR AVERAGE.

OCCUPANCY

OCCUPANCY (%)



313.4 MSF
TOTAL INVENTORY

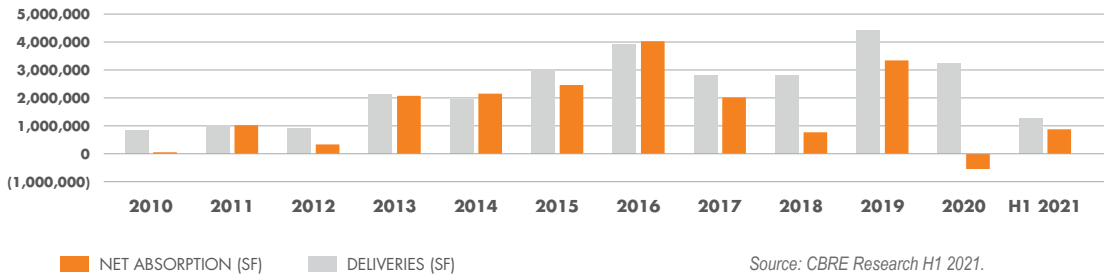
\$133B
TOTAL RETAIL SALES

-1.8%
RETAIL SALES

\$25.02 PSF
AVG ASKING RATES

\$38.75 PSF
INNER LOOP COMMANDING
AVG ASKING RATES

DELIVERIES VS. ABSORPTION



1.2 MSF
DELIVERED 2021

3.2%
DELIVERED CONSTRUCTION



INDUSTRIAL MARKET

NEW PRODUCT ATTRACTS OCCUPIERS IN HOUSTON

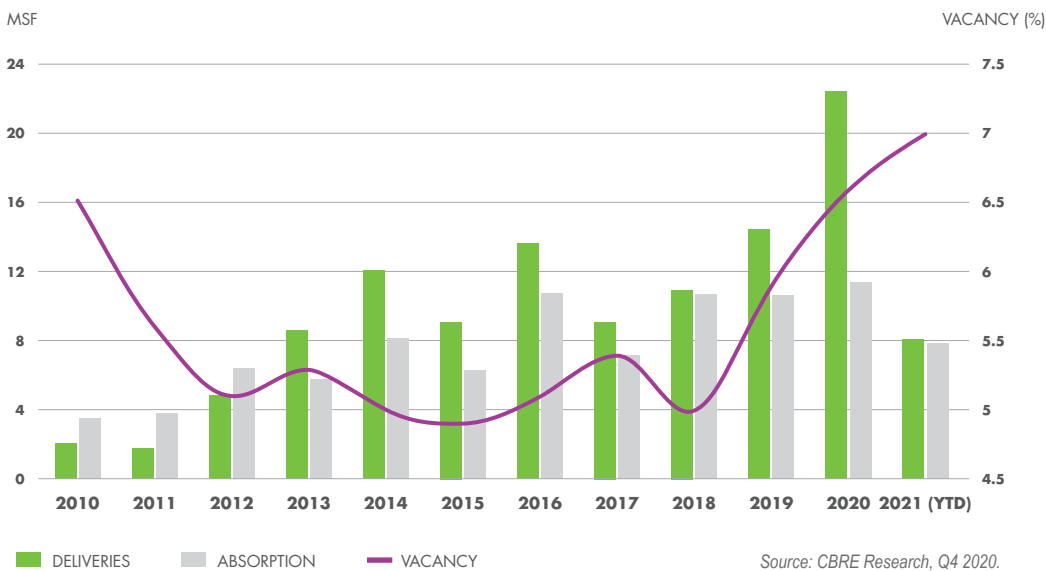
THE HOUSTON MARKET FINISHED THE SECOND QUARTER WITH AN OVERALL NET ABSORPTION OF 3.8 MILLION SQ. FT. OVERALL, THIS BROUGHT THE YEAR-TO-DATE ABSORPTION TO ROUGHLY 7.8 MILLION SQ. FT.

THE CONSTRUCTION PIPELINE CONTRACTED THIS QUARTER, WITH ROUGHLY 15.9 MILLION SQ. FT. UNDER CONSTRUCTION. THIS DECREASE STEMMED FROM THE LARGE NUMBER OF DELIVERIES OUTNUMBERING CONSTRUCTION STARTS.

560 MSF
TOTAL INVENTORY

\$0.61 PSF
AVG GROSS ASKING RATE

DELIVERIES VS. ABSORPTION



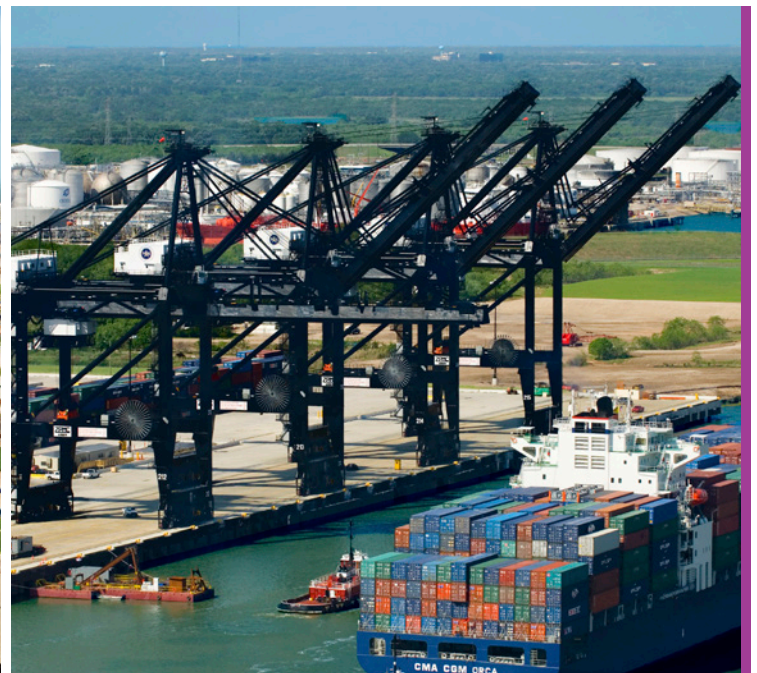
6.98%
VACANCY

15.9 MSF
UNDER CONSTRUCTION

6
PROJECTS BEGAN THIS QUARTER

2.2 MSF
BROKE GROUND MARKETWIDE

7.8 MSF
YTD NET ABSORPTION



LAND MARKET

HOUSTON'S LAND MARKET REMAINS ACTIVE

HIGH DEMAND IN EXISTING AND NEW SINGLE FAMILY HOMES COMBINED WITH HIGH DEMAND IN MULTIFAMILY AND LOW INVENTORY LEVELS IN ALL HOUSING - ALL POINTING TO POPULATION INCREASES AND CONTINUATION OF IN-MIGRATION AND ALL INDICATORS OF STRONG DEMAND FOR LAND

SINGLE FAMILY HOUSING

HIGH DEMAND, LOW SUPPLY

#2 METRO IN STARTS AND CLOSINGS, HIGHEST IN 15 YRS

INVENTORIES LOW, PRICES RISING

MULTIFAMILY

HIGH DEMAND

EXPERIENCING SOME OF THE HIGHEST ABSORPTION ON RECORD

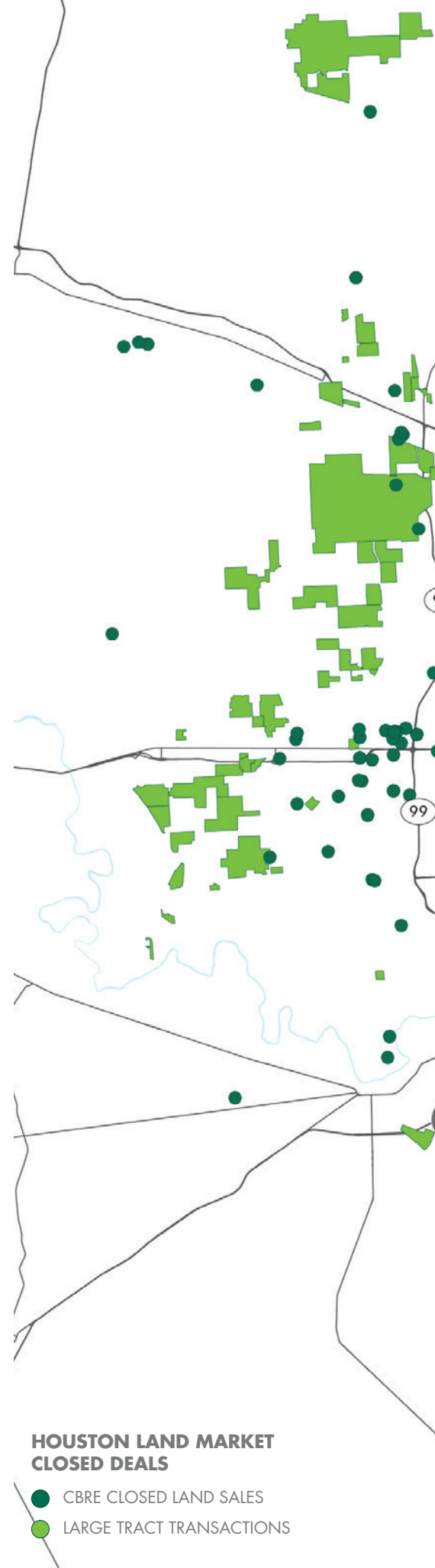
INVENTORY PROJECTED TO DECLINE, RENTS EXPECTED TO INCREASE

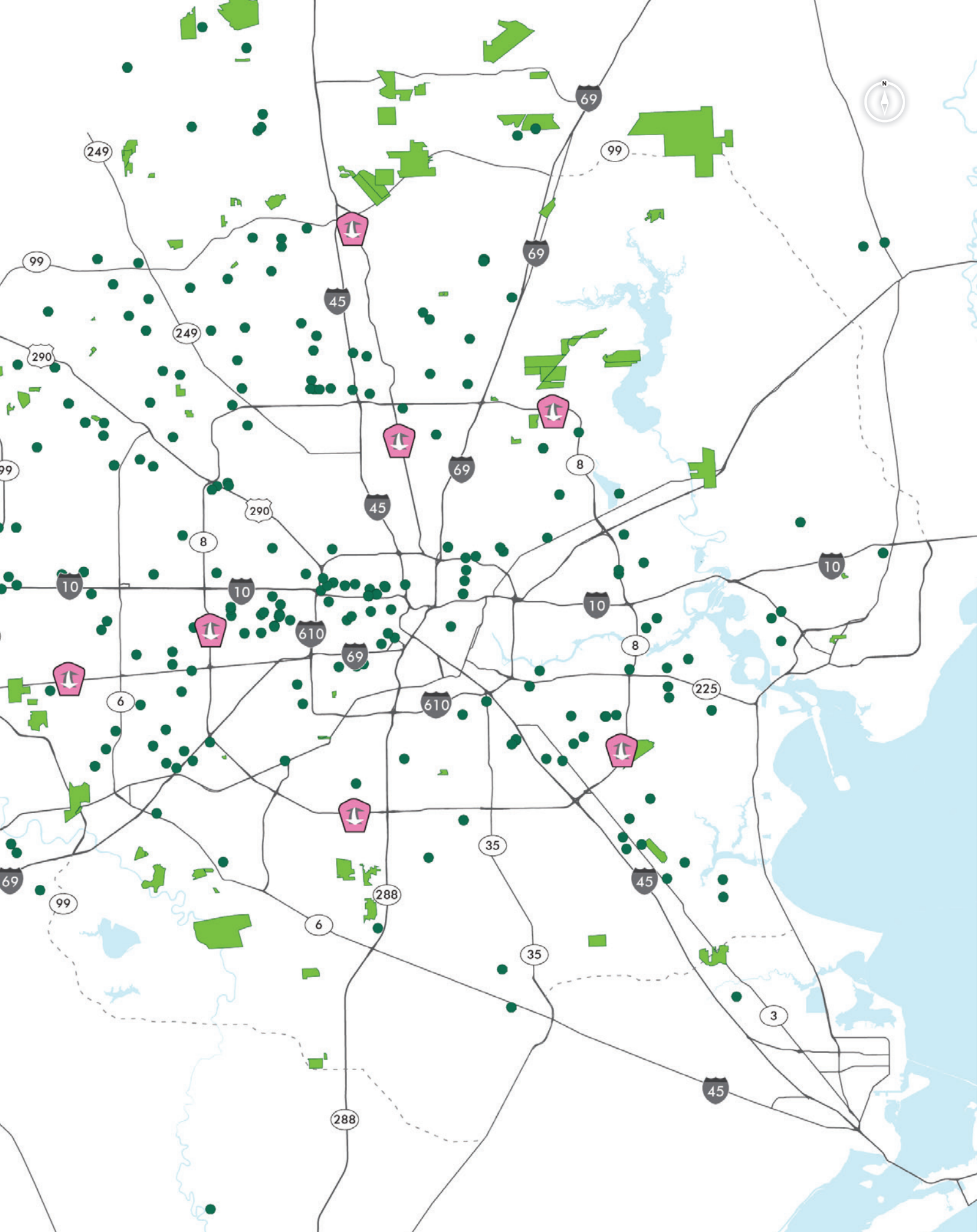
INDUSTRIAL

HIGH DEMAND

RECORD ABSORPTION WITH RENTS RISING

CONSTRUCTION PIPELINE CONTRACTING







The highlight of 2021's first half was a massive COVID vaccine rollout that gradually loosened the pandemic's grip on the U.S. economy. The closing of the first quarter of 2021 marked one full year after the World Health Organization declared the coronavirus outbreak a pandemic on March 11, 2020. At the end of 2020, less than 3 million Americans had been vaccinated. By the end of June 2021, 181 million (55 percent of U.S. population) had been given at least one dose of a vaccine. As a result, pandemic-related restrictions gradually lifted, and people resurfaced as if they were coming out after a long hard winter.

As the COVID cloud began to dissipate, retail stores began to fill with constituents looking to spend. By the end of June, U.S. retail sales were up 18 percent over last year and retail jobs in Houston were nearly what they were pre-pandemic. Industrial commercial real estate experienced robust leasing activity, record absorption, and substantial rent increases as the sector benefited from the acceleration of e-commerce and as retailers needed safety stock to counter supply chain disruptions. Offices began to get more workers physically in the space. Houston and the other large Texas markets have led the way in getting workers back in the office but remain around 50% of their pre-COVID occupancy levels. As another indication of pent-up demand, investment volume increased significantly across all sectors with multifamily leading the way.

Houston came into this challenging period with a lot of positive momentum, including tremendous population growth, job growth, and increasing economic diversification. H-town is second only to Dallas-Fort Worth in the past decade for Population Growth and Net Migration. The migration to Houston and overall population growth continued into 2021 as the market experienced record existing home sales, new home sales, and multifamily absorption numbers. The reasons why people move to Houston have not changed but may have magnified during the pandemic. These reasons are all related to improving one's quality of life: a favorable cost of living, world-class hospitals, quality universities, warm climate, diverse population, no state income tax, and a healthy economy with jobs available in all sectors. Some may question the availability of jobs in the short term, which is pandemic-related and true nationwide. However, Oxford Economics projects Houston to add over 300,000 jobs over the next five years (2020 to 2025), ranking it #4 for metros.

There is a growing list of companies relocating to and expanding in Houston, including Hewlett Packard Enterprise, Greentown Labs, Axiom Space, and Murphy Oil Corporation. The market offers a pro-business climate with no corporate or personal income tax at the state level, additional billions in tax relief for businesses, and the Texas Enterprise (deal-closing) Fund. This economic engine is referred to as a Tier 1 city with Tier 2 costs and is ranked 3rd among metros in number of Fortune 500 headquarters with 24.

The Houston economy has diversified over the years to the point where no one sector is dominant. This has contributed to the market's resilience. Yet, Houston remains the Energy Capital of the World. During H1 2021, metrics related to the energy sector were favorable as oil prices and rig counts continued to improve. At \$74/barrel, WTI was up 93 percent year-over-year at the end of Q2 and up 53 percent YTD. Rig counts were up 225 rigs at Q2 end, or 92 percent, since the low in August 2020.

Going forward, Why Houston? Houston is a proven growth powerhouse and as a place to live, work, invest, and conduct business, stacks up to any other U.S. market extremely well.



CITY RANKINGS

#1
AMERICA'S 50 BEST PLACES TO LIVE – THE WOODLANDS
Niche (as reported by ABC News) – May 2021

MOST BUSINESS-SAVVY CITIES IN AMERICA – SUGAR LAND
Go.verizon.com (as reported by CultureMap) – June 2021

BEST HOSPITAL FOR CANCER – MD ANDERSON CANCER CENTER
U.S. News and World Report – July 2021

BEST UNIVERSITY FOR ENTREPRENEURS – RICE UNIVERSITY
Princeton Review (as reported by the Houston Business Journal) – November 2020

U-HAUL – TOP U.S. DESTINATION CITIES IN 2019 – HOUSTON
U-Haul – May 2020

2021'S MOST DIVERSE CITIES IN AMERICA – HOUSTON
Wallet Hub – April 2021

TOP CORPORATE DESTINATION CITY IN 2020 – HOUSTON
Allied Van Line (as reported by Houston Business Journal) – January 2021

HIGHEST IN DIVERSITY FOR SOUTHERN SCHOOLS – UH-DOWNTOWN
Times Higher Education College Rankings (as reported by Houston Business Journal) – April 2021

NO. 1 BURGER RESTAURANT IN THE UNITED STATES – BECK'S PRIME ON KIRBY
GAYOT (as reported by Paper City) – May 2021

#2
FASTEST GROWING TECH HUBS AMID THE PANDEMIC – HOUSTON
Axios (as reported by InnovationMap) – May 2021

BEST CITY FOR CONSTRUCTION WORKERS IN 2021 – HOUSTON
IPP Magazine (as reported by Houston Business Journal) – April 2021

U.S. METRO FOR CORPORATE RELOCATION AND EXPANSION IN 2019 – HOUSTON
Site Selection – May 2020

#3
TIER 2 CITIES OF THE FUTURE – HOUSTON
FDI Intelligence – August 2020

U.S. METRO FOR CORPORATE RELOCATION AND EXPANSION IN 2020 – HOUSTON
Site Selection – May 2021

BEST CHILDREN'S HOSPITAL IN THE U.S. – TEXAS CHILDREN'S HOSPITAL
U.S. News & World Report (as reported by InnovationMap) – July 2021

TOP 10 BARBECUE CITIES IN AMERICA – HOUSTON
LawStarter – June 2021

#5
TOP REGION FOR MINORITY-OWNED STARTUPS – GREATER HOUSTON
Self Financial (as reported by Culture Map) – January 2021

MOST AFFORDABLE MAJOR CITY IN U.S. FOR BUYING A HOME SOLO – HOUSTON
Eachnight (as reported by Houston Business Journal) – April 2021

FIFTH IN PAY PREMIUM OFFERED BY TECH JOBS – HOUSTON
Spanning Clouds Apps (as reported by InnovationMap) – January 2021

#6
CITIES WHERE MILLENIALS ARE MOVING – HOUSTON
Smartasset – June 2020

BEST PLACES TO LIVE IN THE U.S. FOR QUALITY OF LIFE – HOUSTON
Yahoo – May 2021

#7
AMERICAS CITIES OF THE FUTURE – HOUSTON
FDI Intelligence – June 2021

2021 ENERGY STAR TOP CITIES – HOUSTON
Energy Star – January 2021

#10
MAJOR U.S. METRO AREAS WITH THE HIGHEST RATES OF START-UP FORMATION – HOUSTON
Roofstock (as reported by Innovation Map) – March 2021

BEST FOODIE CITIES IN THE U.S. – HOUSTON
U.S. News & World Reports – January 2021

TIMELINE HOUSTON, TX



1836

Houston founded by brothers Augustus C. & John K. Allen. Purchased 6,642 ac/est \$1.40 per ac

1837

1st steamship, The Laura visits Houston.

1841

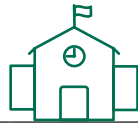
Houston Police Department formed.

1850

1st census: 2,396 Houstonians. Galveston is the state's largest city with 4,117 residents.

1868

Houston's 1st gaslights and trolley cars (mule-drawn) installed.



1875

1st grain elevator built on the Houston Ship Channel.

1877

Houston's 1st free public school established.

1880

Houston's 1st telephone exchange created.

1897

Automobile 1st appears in Houston (as an advertising gimmick).

1900

Category 4 hurricane strikes Galveston. Deadliest in U.S. History claims +6k lives. +\$30M property damage (\$846m in 2012 dollars).



1901

Oil discovered at spindletop puts Houston in the center of new oil and oilfield equipment development.

1912

Rice Institute (now Rice University) begins classes.

1914

The 25-foot-deep Houston Ship Channel completed and formally dedicated.

1923

1st air-conditioned building in Houston-Second National Bank at 806 Main.

1927

University of Houston established.



1929

City planning commission recommends adopting a zoning ordinance, but finds scant support.

1935

Braniff International inaugurates 1st scheduled air passenger service to Houston.

1941

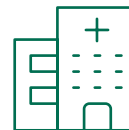
New master plan for Houston thoroughfares emphasizes a loop system.

1943

Texas Medical Center founded.

1947

Houston College for Negroes acquired & established as Texas State University for Negroes (now Texas Southern University).



1955

Houston metro area population reaches 1,000,000.

1961

Sharpstown Center becomes 1st air conditioned enclosed shopping mall in Houston.

1962

NASA's manned spacecraft center moves to Houston.

1962 -1969

Houston voters reject proposed zoning ordinance. Astrodome holds its 1st event, and IAH begins operations.

1965

Astrodome becomes the 1st air conditioned stadium in the world.



1969

“Houston” is the 1st word spoken from the lunar surface.



1971

Shell Oil Co. Relocates corporate headquarters to Houston. +200 major firms move headquarters, subsidiaries and divisions here in the 1970s.

1973

Arab Oil Embargo quadruples oil prices in 90 days, fueling Houston’s 1973-1981 economic boom.

1983

155 office buildings completed in 12 months.

1987

Trough of recession in January; net recession loss of 221,900 jobs.



1990

Houston economic recovery completed; April job count above March 1982 level.

1993

Houston voters reject proposed zoning ordinance.

2000

Census finds no racial or ethnic majority. Minute Maid Park (mlb stadium) opens.

2001

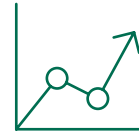
NRG Stadium (NFL) opens.

2003

Toyota Center (NBA) opens.

2005

More than 100K evacuees flee to Houston from southern Louisiana in the wake of hurricane Katrina.



2008

Neither Boom nor Bust: Houston Market Differs from Nation’s

2011

1st major metro with ‘08 pre-recession employment levels.

2012

BBVA Stadium (MLS) opens.

2014

ExxonMobil opens new campus near The Woodlands, accommodating 10K employees & visitors

2015

Hobby Airport launches international service with its 1st international terminal and Ellington Airport receives a commercial spaceport license from the FAA.

2016

The energy downturn bottoms out and a slow recovery begins.



2004 & 2017

Houston hosts NFL Superbowl XXXVIII & LI.

2017

Hurricane Harvey produces 1.2 Trillion gallons of rainfall. Community immediately unites #HoustonStrong and then the Astros win the World Series.

2018

Houston named 4th most populous city in U.S. 2,325,502 (trailing only NY, LA, & Chicago), and largest in the southern U.S.

Rice University announces plans to develop new hub for Innovation District in Midtown.

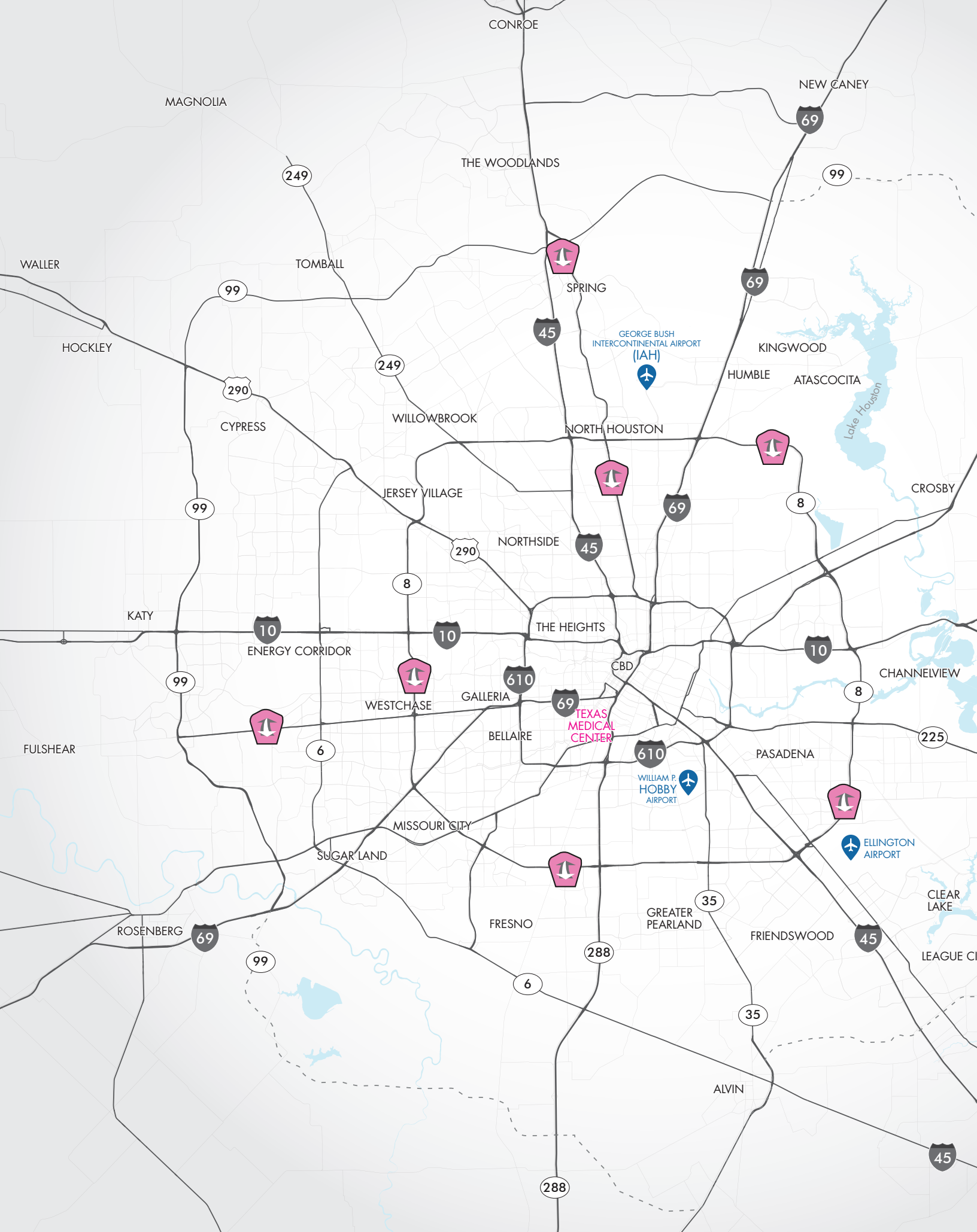
2019

The world celebrates the 50th anniversary of the Apollo 11 lunar landing on July 20.

2020

The COVID-19 pandemic arrives in Houston. A tepid economic recovery begins in May.







WHYCBRE

KEY DIFFERENTIATORS

INTEGRATED **SUITE OF SPECIALIZED SERVICES** ✓

POWER OF A **GLOBAL PLATFORM** ✓

TOP TALENT ✓

CLIENT CARE EXCELLENCE ✓

CUTTING-EDGE TECHNOLOGY ✓

MARKET-LEADING INTELLIGENCE ✓

INNOVATIVE PRACTICES ✓

WE ARE YOUR **SINGLE POINT OF CONTACT** ✓

2015 – 2021 YTD HOUSTON STARTS AND CLOSINGS

| | ANNUAL NEW HOME STARTS | ANNUAL NEW HOME CLOSINGS |
|-------------|---------------------------|-----------------------------|
| 2015 ACTUAL | 28,081 | 27,930 |
| 2016 ACTUAL | 25,648 | 26,936 |
| 2017 ACTUAL | 27,470 | 26,783 |
| 2018 ACTUAL | 30,197 | 28,023 |
| 2019 ACTUAL | 30,596 | 30,689 |
| 2020 ACTUAL | 36,669 | 34,392 |
| 2021 H1 YTD | 42,796 | 38,212 |

Source: Meyers Research/Zonda, Q2 2021.







WHY HOUSTON?



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