



Commercial Property Market Overview

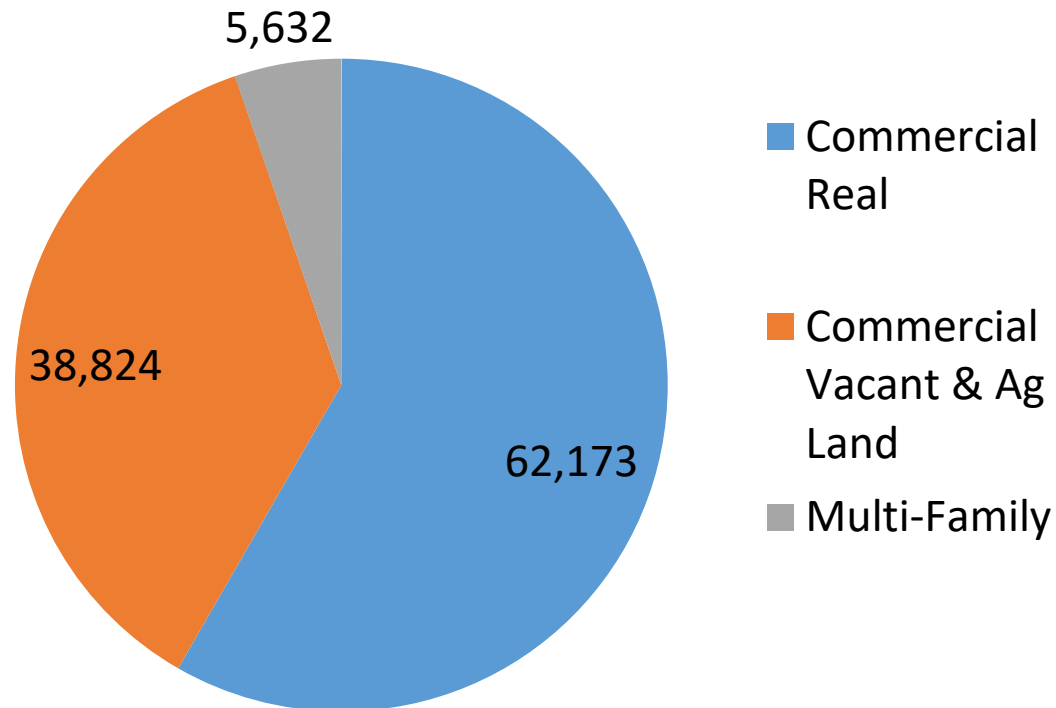
Tax Year 2018



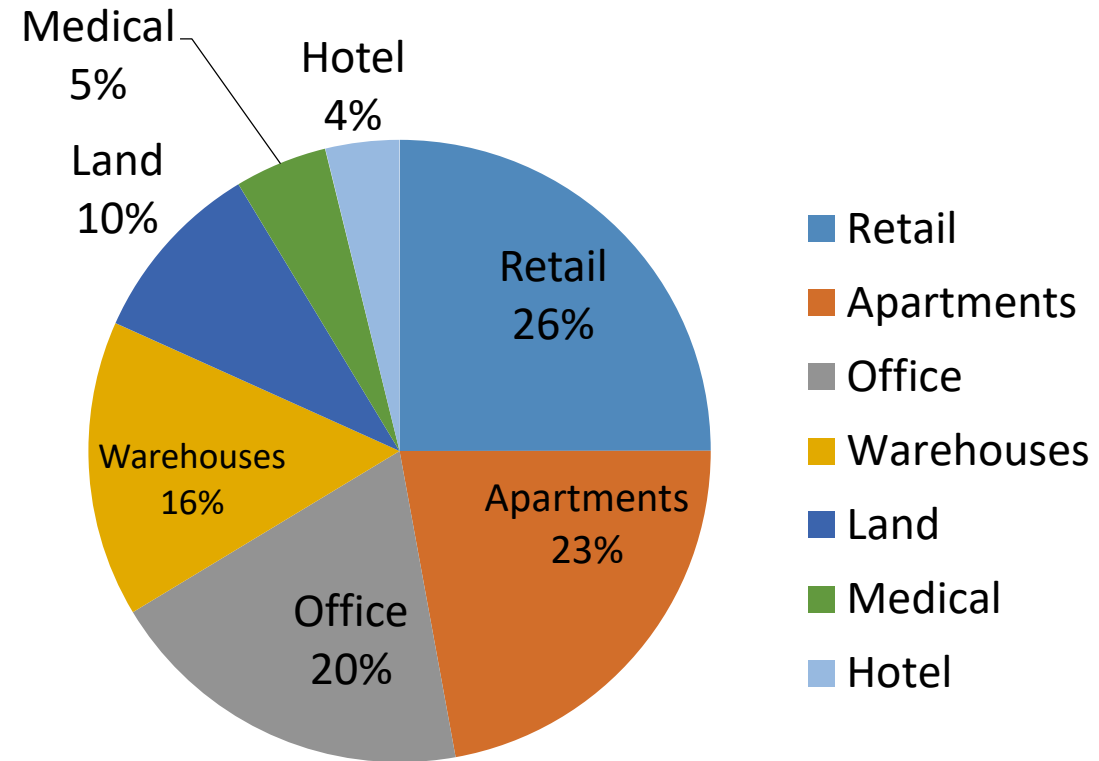
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Commercial Overview

Allocation by State Class



Allocation by Property Type





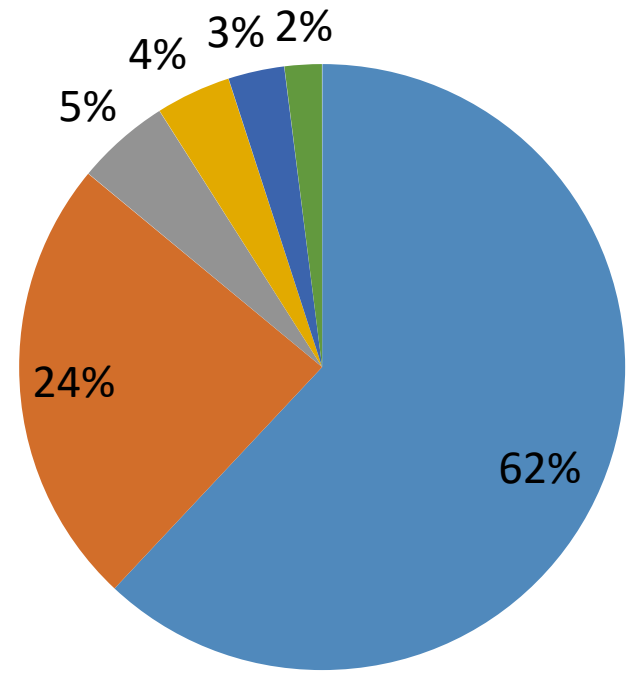
Commercial Real Estate: Hurricane Harvey

- Damage ranged from roof leaks to flooded lobbies, basements and garages
- Inventory impacted
 - Apartments: 2 percent
 - Office: 7 percent
 - Retail & warehouse: minimally affected
- 6,048 physically inspected for damage
- 1,674 accounts had flood damage

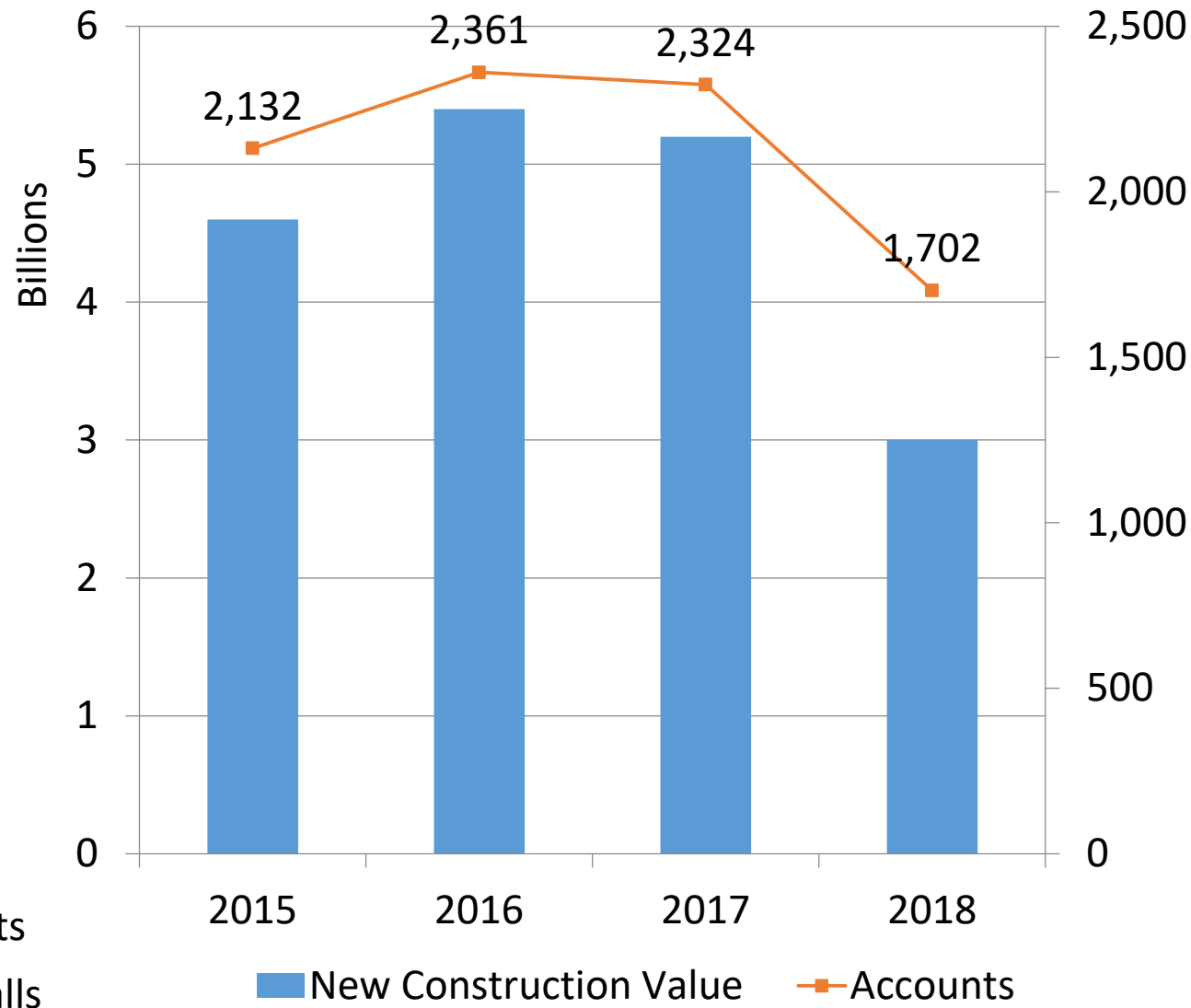


New Construction

Permits



- Retail
- Warehouse
- Apartments
- Office
- Medical
- Hotels/Malls





Land

- Strongest demand concentrated in or near:
 - Northwest Districts
 - Klein ISD
 - Tomball ISD
 - Spring ISD
 - Cy-Fair ISD
 - Houston ISD
- Notable Project Underway
 - Cy-Fair – Towne Lake Master Community
 - Katy Grand Morton Town Center
 - Grand Parkway Marketplace

1750
GRAND PARKWAY MARKETPLACE
MANAGED BY AN AFFILIATE OF
KIMCO
REALTY

GRAND PARKWAY & KUYKENDAHL RD., SPRING, TX

GLA: 302,402 SF
ACRES: 66
PARKING SPACES: 2,642
PARKING RATIO: 8.7 per 1,000 SF
MSA: Houston-The Woodlands-Sugar Land (TX)
WEB LINK: kimcorealty.com/1750

DEMOGRAPHICS							LEASING REPRESENTATIVE
2016 ESTIMATES	TOTAL POPULATION	DAYTIME POPULATION	TOTAL HOUSEHOLDS	AVG. HH INCOME	MED. HH INCOME	PER CAPITA INCOME	
1 MILE	5,966	5,642	1,840	\$105,017	\$88,008	\$32,384	DOUGLAS SCHOOLEY 2600 W 7th Street Fort Worth, TX 76107 (972) 638-5242 dschooley@kimcorealty.com
3 MILE	64,033	46,327	20,791	\$112,779	\$89,211	\$36,625	
5 MILE	187,102	141,544	64,213	\$113,318	\$88,596	\$38,943	
10 MILE	758,509	724,703	269,283	\$102,431	\$77,045	\$36,419	

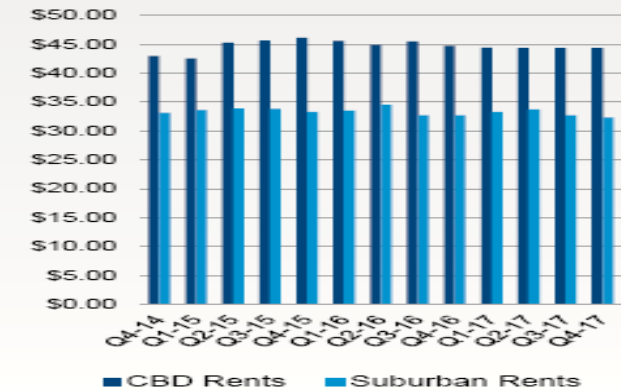
Trade Area Systems, Updates of 2010 Census Data by Synergos



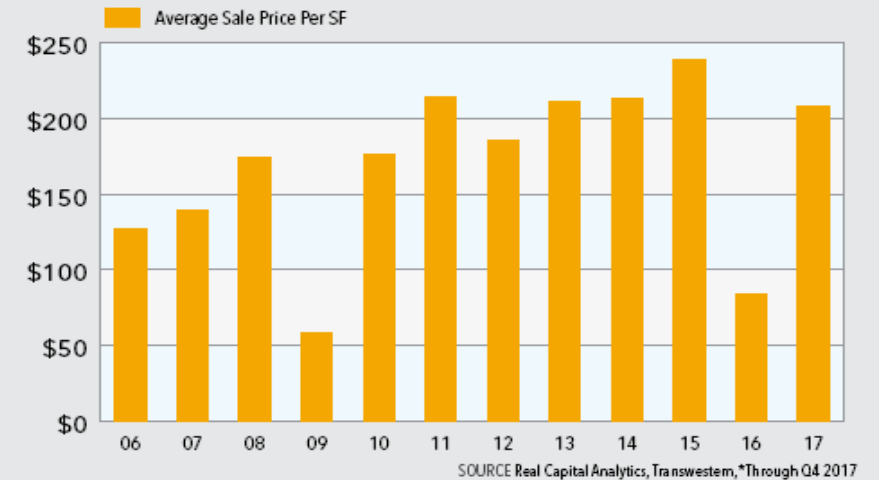
Office: Market Signals Recovery

- New construction deliveries: 3.2 million sq. ft.
 - Previous year: 6 million sq. ft.
- Under construction year end: 2.4 million sq. ft.
 - Previous year: 3.1 million sq. ft.
- Absorbed: **-2 million** sq. ft.
- Overall asking rental rates: flat
- Overall vacancy : 19.1% (*4th quarter 2017*)
 - 4th quarter 2016: 17.5%
- Transactions: \$1.1 billion
 - Previous year: \$275 million
- Average sales price per sq. ft.: \$202.32
 - Previous year: \$191.41

CLASS A OFFICE RENTS



AVERAGE OFFICE SALE PRICE HOUSTON METRO AREA

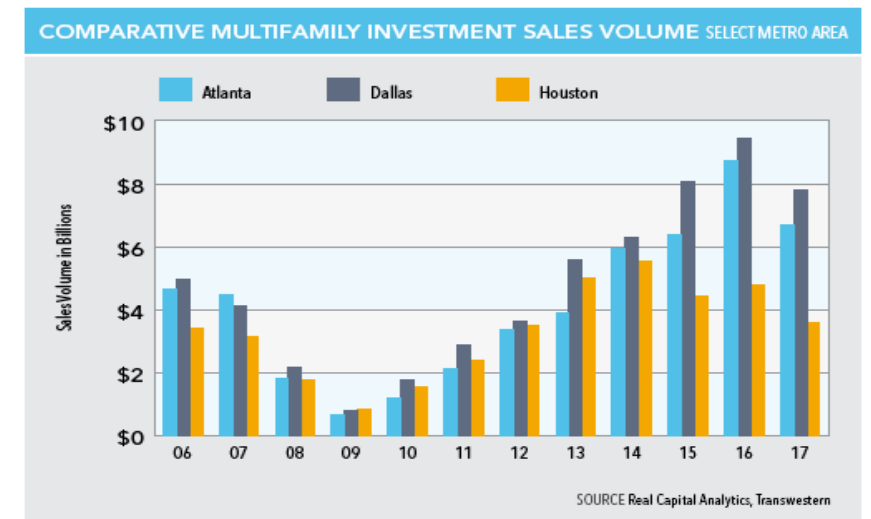
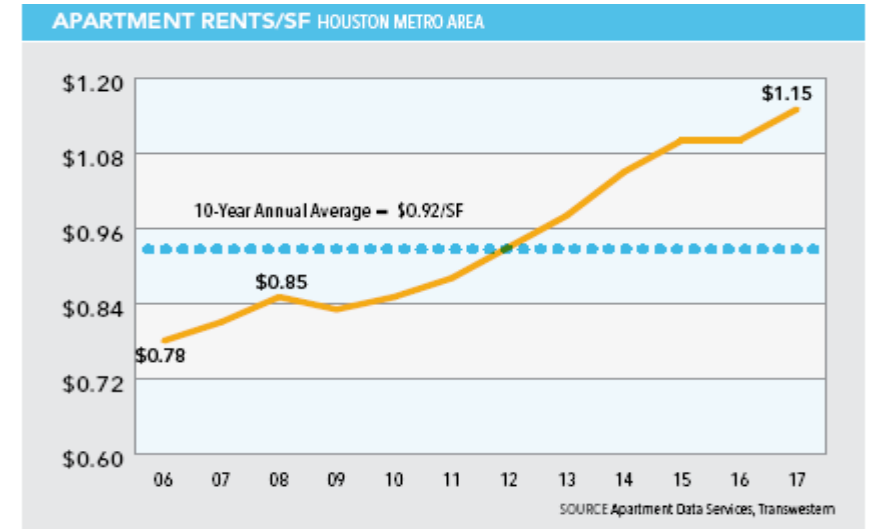


SOURCE Real Capital Analytics, Transwestern, *Through Q4 2017



Apartment: Closes Year Out Strong

- Delivered: 13,719 units
- Under construction year end: 9,600 units
- Absorbed: 17,491 units
 - Previous year: 4,527
- Rental rates at year end: 5% increase
 - Hurricane Harvey resulted in 7% increase in last six months
- Overall occupancy: 89.4%
- Sales volume: \$405.8 million (\$90,000 per unit)
 - Previous year: \$719.9 million (\$81,000 per unit)

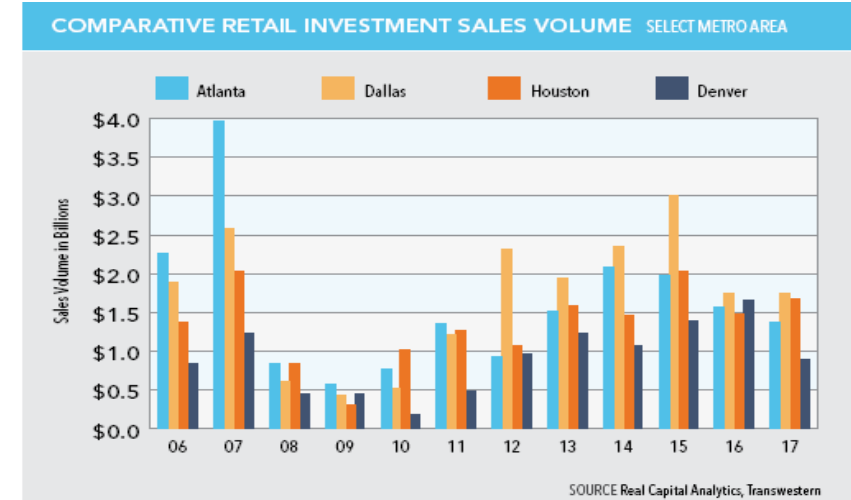
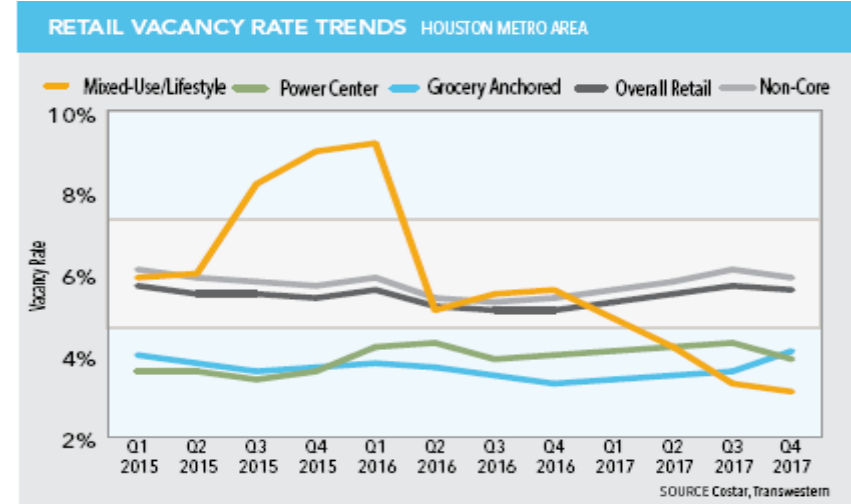




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Retail: Market Continues to Gain Strength

- New construction deliveries: 3.9 million sq. ft.
- Under construction: 3.3 million sq. ft.
- Absorbed: 3.8 million sq. ft.
 - 4th quarter 2016: 6.9 million sq. ft.
- Quoted rates: 5% increase over 12-month period
- Occupancy rates: 95% (*record high levels*)
 - 98% for prime class A product
- Sales price: \$158.76 per sq. ft.
 - Previous year: \$120.62 per sq. ft.
- Sales volume: \$317,355,698 (\$158.76 psf)
 - Previous year: \$168,736,439 (\$120.62 psf)

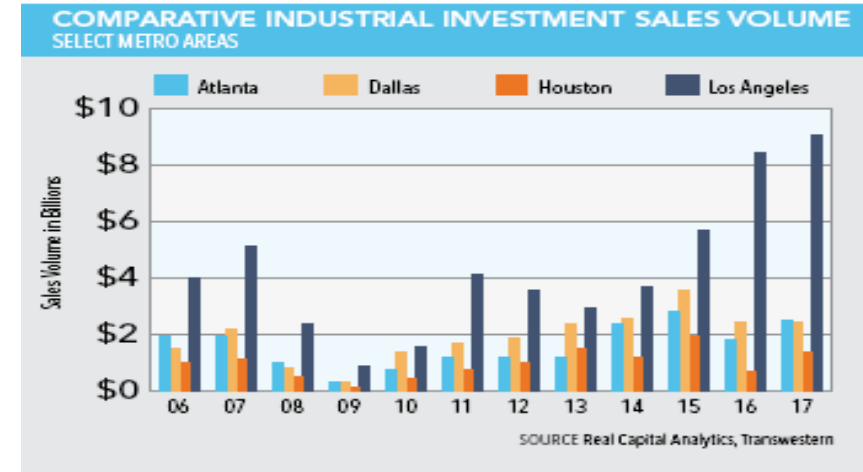




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Warehouse: Robust Demand Tightens Availability

- New construction deliveries: 8.8 million sq. ft.
- Under construction: 6.4 million sq. ft.
 - 29.3% pre-leased
 - 4th quarter 2016: 4.7 million
- Absorbed: 6.7 million sq. ft.
- Average asking rental rates: positively steady
- Vacancy rates: relatively flat at 5%
- Sales volume: \$599.9 million (\$77.65 psf)
 - Previous year: \$279.6 million (\$67.55 psf)



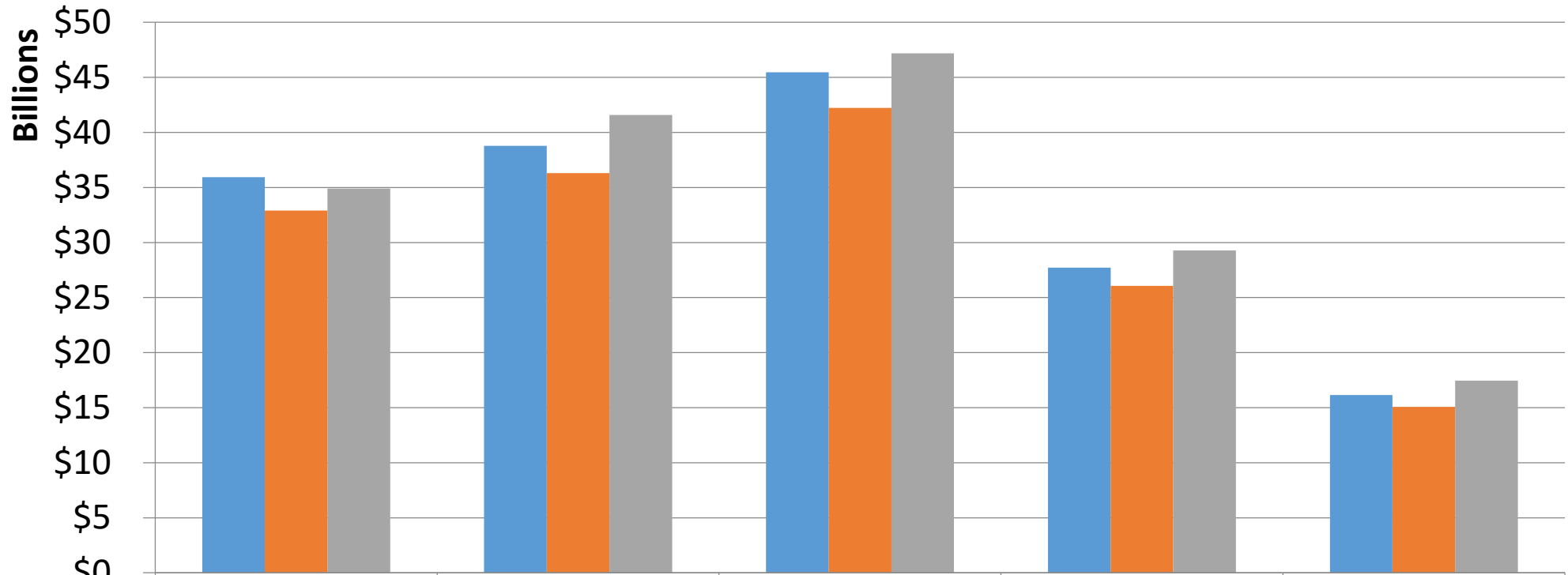
Vacancy by Sector

SECTOR	DIRECT	OVERALL
Flex	9.7%	9.9%
Manufacturing	2.1%	2.9%
Warehouse/Distribution	4.6%	4.8%
Total	4.7%	5.0%



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Commercial Tax Base: Property Type



	Office	Apartments	Retail	Warehouse	Land
■ 2017 Notice	\$35,941,771,102	\$38,776,697,847	\$45,464,798,765	\$27,711,993,968	\$16,151,702,126
■ 2017 Certified	\$32,902,810,476	\$36,306,756,348	\$42,234,231,441	\$26,071,921,353	\$15,063,757,647
■ 2018 Notice	\$34,903,060,641	\$41,591,447,977	\$47,181,060,003	\$29,269,484,954	\$17,456,352,334



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2018 Commercial Increase, Decrease, No Change *(as of March 9)*

Parcels	No Change	Increase	Decrease
106,629	30,992	67,639	7,998
	29.1%	63.4%	7.5%