



PROPOSAL FOR REAL ESTATE BROKERAGE SERVICES

Prepared for

Josef G. Kamerling & Trustee
c/o Joe Wheat

Prepared by

A. David Schwarz III, SIOR
Vice President

Carlos P. Bujosa
Vice President

March 2, 2016



March 2, 2016

VIA EMAIL TO JOEWHEAT@SBCGLOBAL.NET

Mr. Joe Wheat
Attorney at Law
4544 Post Oak Pace Drive Suite 350
Houston, Texas 77027

**RE: Approximately 4.9 Acres wrapping the SWC of FM 529 and Greenhouse Road
Katy, Texas 77449**

Dear Joe:

On behalf Transwestern, we would like to thank you for inviting our firm to propose our brokerage and consulting services to you. Transwestern is a privately-held operating company specializing in commercial real estate services. We deliver value to owners, investors and users of commercial real estate through innovation, penetrating market intelligence, and legendary service delivered by teams of local market experts. Transwestern has product specialties in land, office, industrial, retail, multifamily and healthcare. In the U.S. Transwestern has over 2,000 team members in 34 markets.

We recently expanded our national capabilities to a global platform with a newly formed strategic alliance with BNP Paribas Real Estate. The alliance gives Transwestern the ability to provide real estate and transactional services for clients in 181 cities in 30 countries. Additionally, we opened an office in Bogota, Colombia in order to take advantage of the growing South American economies.

Marketing Strategy

Your marketing team would include Carlos Bujosa, and David Schwarz, and Julie Lorino who collectively have over 100 years of experience in commercial real estate. Carlos and David lead the Land Services Group for Transwestern and provide counseling and marketing for property owners in the Greater Houston Area. The team will assist you in:

- Properly positioning your property in the market to ensure it gets in front of the buyers that are most likely to pay the highest possible price.
- Exposing your property thoroughly to ensure that it sells as quickly as possible.
- Determining the best strategy to negotiate the highest possible price at the most favorable terms.
- Keeping you abreast of the real estate market through constant communications and monthly reports showing marketing activity and inquiries.

Professional marketing materials are essential in presenting your property's attributes in a concise way that assists buyers in this decision making process. Our staff produces marketing materials using the latest graphics, technology, and aerial photography. We will coordinate with the ownership in the production of any promotional materials.

To ensure your property gets the maximum exposure to developers, buyers, and brokers we will promote your property as follows:


1. **LoopNet** (www.loopnet.com) a national listing site with more than 1.5 million members, that is accessible to the public as a search engine.
2. **Costar** (www.costar.com) a national site that is used by the commercial brokerage community.
3. **Commercial Gateway** (www.commercialgateway.com) the Houston Association of Realtors commercial listing service, a local site that is part of the popular HAR.COM with over 1,400 commercial broker members that is also accessible to the public as a search engine.
4. **Society of Office and Industrial Realtors (SIOR):** www.sior.com – More than 3,000 members in more than 630 cities in 34 countries.
5. **Houston Chronicle's** web site: www.chron.com
6. **REDNews** - National broadcast and magazine advertising
7. **Distribution Services** - We maintain an extensive database of developers, brokers and users of commercial real estate and will distribute the marketing materials to these groups. We will also distribute the property information through the databases of HAR/ Commercial Gateway and LoopNet.
8. **A. David Schwarz III's personal website – www.commercialrealestatrehouston.com**

Our goal is to let everyone know that the property is available and if there's a deal to be made out there, your property will be considered.

We propose a listing period of six months, which would automatically renew for an additional six months, unless it is cancelled by either party upon thirty (30) days written notice. The proposed commission is five percent (5%) of the gross purchase price or consideration agreed to between Owner and buyer if Carlos and David are the sole brokers in this transaction and six percent (6%) of the gross purchase price if there is a Buyer's agent in the transaction to be split equally between Transwestern and the Buyer's agent.

Please let us know if you have any questions. We're looking forward to the opportunity of representing you in the successful sale of your property.

Very truly yours,


Carlos P. Bujosa

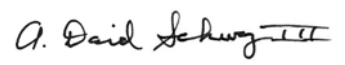

A. David Schwarz III, SIOR

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SECTION I

INTRODUCTION



Carlos P. Bujosa



A. David Schwarz III, SIOR



Julie Lorino

Why Work With Our Team?

Un-Paralleled Service and Strategic Partnership:

- Team approach: Almost 80 years combined experience, Two Industry Veterans
- We Maximize Value: By keeping our client's stringent requirements in mind we present not only properties that meet that criteria, but market data on other properties in the targeted areas.
- Constant communication and accessibility. Clients are always informed about the status of the site search and negotiations. Attentive, understanding, responsive, and sensitive to client goals.
- Developing negotiation strategies and implementing them
- Superior Market Research using cutting edge tools and technology
- Open communication between all of the Transwestern service lines, locally and nationally

Local, National, and International Presence:

- 2nd largest Commercial Brokerage firm in Houston
- 34 U.S. markets
- BNP Paribas Alliance gives us International exposure: 181 cities in 40 countries
- Transwestern has expanded into South America (Bogota, Columbia)
- Through the SIOR network we have access to 3,000 members in 630 cities in 31 countries

We're Trusted and Respected in the Community:

- We represent your best interest and put your needs above our own.
- We negotiate for you to achieve the best price on the best possible terms.
- Respected by our competitors because we're honest, fair, and cooperate with other brokers.
- We hold Leadership roles in Houston Association of Realtors, Texas Association of Realtors

We make sure that the target market area is researched thoroughly

Listing Services and Platforms we use to market for available properties:

- LoopNet
- Commercial Gateway / HAR.com
- CoStar
- Houston Chronicle (www.chron.com)
- Local Area Economic Development Councils & Chamber of Commerce
- SIOR.com
- In-House GIS program
- Local Utilities Companies
- Local Banks



TEAM APPROACH

Land Disposition Services

Transwestern provides a winning TEAM approach through:

- Unequaled brokerage services - diverse senior executive professionals
- Customized team to meet and exceed the goals of each assignment
- Market intelligence to achieve the clients goals
- Cutting edge GIS system for research and due diligence
- Experience in the entire Greater Houston Area
- Open communication between all the Transwestern service lines, locally and nationally
- Experience in the entire Greater Houston Area

Our Lead Team will include the following members. Biographical sketches are on the following pages.

Carlos P. Bujosa
Vice President

A. David Schwarz III, SIOR
Vice President

Julie Lorino
Senior Administrative Associate



TRANSWESTERN

Southwest



CARLOS P. BUJOSA

Vice President/General Brokerage Services

TRANSWESTERN ROLE

Carlos specializes in the acquisition and disposition of land for development and investment purposes. He is also involved in the sale of free-standing buildings and multi-tenant income producing properties. As a former State Certified Real Estate Appraiser, he is able to use his valuation expertise to enhance the services provided by the other specialty areas of the firm.

CAREER HIGHLIGHTS

Carlos began his commercial real estate career in 1980. His property experience ranges from land and income producing property sales, to valuation and consulting.

Prior to joining Transwestern in 2010, Carlos was a shareholder with McDade, Smith, a boutique land brokerage firm. He previously held positions with a large commercial brokerage firm, a commercial appraisal firm, and also established his own brokerage and consulting firm.

His banking clients have included U.S. Trust, Bank of America, JP Morgan Chase, and Whitney National Bank. Carlos has been involved in transactions with notable companies as Lennar Homes, Friendswood Development Co., Planned Community Developers, The Ainsbinder Company, Vista Equities, Read King, the Menil Foundation, and Nelson Duffie Interests. Additionally, Carlos has worked with many private equity investors, estates, and institutional clients.

PROFESSIONAL AFFILIATIONS/RECOGNITION

- Past Chairman, Houston Association of Realtors (HAR)
- Past Chairman of HAR's Commercial Board / Commercial Gateway.
- Past Board Member, National Association of Realtors
- Past Board Member, Texas Association of Realtors
- Board Member, Armand Bayou Nature Center Foundation
- Past Chairman Board of Trustees, The Fay School
- Past President, The Kiwanis Club of Houston
- Board Member, The Kiwanis Foundation of Houston.
- Past Board Member, The Kinkaid School Parents Association
- Member of the International Council of Shopping Centers (ICSC)
- HBJ 2014 Heavy Hitters-Houston's Top Commercial Brokers-Land

EDUCATION

Carlos received his Bachelor of Business Administration degree from the University of Texas at Austin.



Agency Leasing

Property & Facility Management

Investment Services

Tenant Advisory

Development

Research



TRANSWESTERN

Southwest



A. DAVID SCHWARZ III, SIOR
Vice President/General Brokerage Services

TRANSWESTERN ROLE

David is Vice President in the Houston Office Division, specializing in the acquisition and disposition of land, free standing and multi-tenant buildings and tenant representation.

CAREER HIGHLIGHTS

David has over 44 years of commercial real estate experience and has been involved in over 416 acquisition, disposition and leasing transactions with a volume in excess of \$450,000,000. David has developed numerous local and national clients, which have included John Dalton, Lewis Macey, Data Foundry, Bill Carroll, Frank Liu, Skinner Lands, Snap-on-Tools, MacGregor Medical Association, Frost Bank, CALFED, Unilev Capital Corporation, Trammell Crow Company, the Prudential Insurance Company of America (Prucare), Harry Reed & Company, Metro, Warehouse Associates, Bergen Brunswig, Property Commerce, Terra Mark Communities and The Woodlands Corporation.

PROFESSIONAL AFFILIATIONS/RECOGNITION

David is an active member of the following organizations:

Lifetime Member of the Ex-Students Association of the University of Texas
Lifetime Committeeman of The Houston Livestock Show & Rodeo
Past President & current member of the Gulf Coast Chapter of the Society of Industrial and Office Realtors®
2010-2013 Board of Directors of the Houston Association of Realtors®
2010-2012 Board of Directors of the Texas Association of Realtors®
Past President, Rotary Club of Houston
Past Chairman, Rotary Club of Houston Foundation
Past Chairman, Rotary Lombardi Award
Current President – Cinco Ranch MUD #3

He has received the following awards/recognitions:

Rotary Club Paul Harris Fellow Recipient
Awarded the John E. Wolf Citizenship Cup from the Houston Association of Realtors®
Sterling “R” Contributor to the Houston Association of Realtors® Political Affairs Advisory Group
HBJ 2014 Heavy Hitters-Houston’s Top Commercial Brokers-Land

EDUCATION

David received his Bachelor of Business Administration degree in Accounting from the University of Texas, Austin, and is a licensed Real Estate professional in Texas.





TRANSWESTERN

Southwest



Julie Lorino

**Senior Administrative Associate
General Brokerage Services**

TRANSWESTERN ROLE

Julie provides research and administrative services for the Houston General Brokerage division.

CAREER HIGHLIGHTS

Julie has over 20 years of both administrative and managerial experience in many aspects of commercial real estate, including research and marketing. Her many years in the industry have given her an in-depth insight into the support that is essential to complete complex real estate assignments.

She is proficient with many graphic and aerial photography programs and has been instrumental in the graphic production of marketing brochures and research materials. Her expertise with our state-of-the-art GIS – aerial mapping software makes her a valuable team member in land acquisition assignments.

Prior to joining Transwestern, Ms. Lorino was office manager at McDade, Smith, Gould, Johnston, Mason + Company in Houston, where she supported as many as twelve brokers including A. David Schwarz III, SIOR and Carlos P. Bujosa and coordinated the research and marketing needs of the firm.

DESIGNATIONS / RECOGNITION

Transwestern Impact Award Recipient - 2014
Houston Central Saints Adventurers Director - present
Transwestern Wellness Ambassador – 2012 - present
Texas Leadership Training Coordinator – 2010-2011
Houston Bay Area Coordinator for Adventurers – 2005-2010

EDUCATION

Julie studied Business Administration and Marketing at Stephen F. Austin State University.





SECTION II

CORPORATE OVERVIEW

CORPORATE SERVICES OFFERED



Transwestern is a privately held real estate firm specializing in land services, building sales & acquisitions, tenant representation, landlord representation, property and facilities management, capital markets, development, research and sustainability. The fully integrated global enterprise leverages competencies in office, industrial, retail, multifamily and healthcare properties to add value for investors, owners and occupiers of real estate. Transwestern facilitates better decision-making for clients by combining penetrating local market intelligence and macro-market research through its affiliate, Delta Associates. Transwestern has 34 U.S. offices and assists clients through more than 181 offices in 40 countries as part of a strategic alliance with Paris-based BNP Paribas Real Estate.

Land Advisory Services

From small user tracts to large undeveloped properties targeted for master-planned communities, our national Land Service specialists combine superior market knowledge and a proactive strategy to exceed client objectives. Constant communication ensures that our clients are always informed of every potential opportunity. Our team has vast experience in all land types and employs skilled property analysis, due diligence, and research, enabling clients to make the most informed and favorable decisions possible - whether they are buying or selling.

Tenant Representation Services

Transwestern's Tenant Advisory Services team develops comprehensive workplace strategies using nationally integrated resources and local market expertise. As advocates for our clients, we drive results through cost containment, space efficiency, time savings and sustainable work environments. Transwestern applies a proven process that ensures the best possible outcome for our clients' real estate needs.

Development

Successful development practices are built on a clear understanding of local supply-and-demand dynamics. Transwestern's ability to combine a powerful national presence with proven local market teams ensures well conceived projects that deliver on time and on budget. We align our interests with our clients' through direct company and local market ownership. Transwestern's full-service capabilities and legendary service allow us to uncover opportunities, capitalize on trends and deliver uncommon results.

Building Sales and Acquisitions

Our team has extensive experience in acquisitions and dispositions of all building types, including: office, industrial, and retail. Transwestern has experience with special purpose users, such as schools, and can help identify buildings that can be retrofitted for their particular use.

Landlord Representation Services

Our specialists combine an integrated suite of brokerage resources and market intelligence to exceed performance expectations and enhance value over the life of a project. Transwestern is an industry leader in providing comprehensive leasing and targeted marketing strategies. Our time-tested approach to tenant prospecting, financial modeling and lease negotiation has earned Transwestern a reputation as one of the best project representation firms in the country.

Property & Facility Management

Asset owners seeking operational excellence that impacts the bottom line look to Transwestern, the nation's strongest resource for property and facility management that adds quantifiable value to client assets. Transwestern has been recognized with numerous ENERGY STAR® awards by the Environmental Protection Agency for reducing building energy consumption through no- and low-cost operational strategies.

Research

For more than 30 years, Transwestern's research affiliate, Delta Associates, has provided expert research, advisory and valuation services to the commercial real estate industry. Transwestern's in-house research staff also provides research and analysis in many markets throughout the country.

Advisory Groups

- Biotech Advisory
- Education Advisory
- Government Advisory
- Law Firm Advisory
- Non-Profit Advisory
- Private Equity Advisory

2015 Third Quarter Statistics

MANAGEMENT & FACILITIES MANAGEMENT:

885 transactions, totaling approximately 222.3 MSF
67% office
29% industrial
2% retail
2% healthcare
0% other

LEASING SERVICES (TENANT REP & AGENCY)

Tenant Rep

1,193 transactions, totaling approximately 16.7 MSF
Total Dollar Value \$1,176,277,660

Agency

2,514 transactions, totaling approximately 24.8 MSF
Total Dollar Value \$1,732,404,439

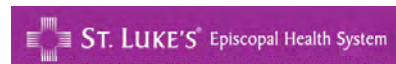
INVESTMENT SALES:

351 transactions, totaling approximately 2.8 BSF

DEVELOPMENT SERVICES:

15 active projects, totaling approximately 6 MSF

Representative Clients



LEGENDARY SERVICE

- Unique business model, highly decentralized, regional leaders are empowered to operate their businesses based on local market needs
- 35+ year history as a leading real estate services and development firm – wide range of services for office, industrial, retail and multifamily
- Represents over 1300 institutional, corporate or investment services clients
- Successfully maximize value during challenging conditions, benefiting clients including pension funds, private owners, REITs, banks, insurance companies, government agencies and special servicers

QUALITY PEOPLE

- Large percentage of employee ownership
- Over 2,000 people strong
- Consistently ranked “Best Places to Work” by business journals across the country and Texas Monthly magazine
- Average team member tenure is 5.1 years (industry average: 3.6 years); executive leadership averages 15 years



SECTION III

SUBJECT PROPERTY & AREA DEMOGRAPHICS

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
1332330010001

Tax Year: 2015

 Print

Owner and Property Information									
Owner Name & Mailing Address:				Legal Description: RES A BLK 1 GREENHOUSE PLAZA					
KAMERLING JOSEF G & TRUSTEE 4709 MERWIN ST HOUSTON TX 77027-6607				Property Address: 0 FM 529 RD KATY TX 77449					
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Total Living Area	Net Rentable Area	Neighborhood	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8000 -- Land Neighborhood General Assignment		0	304,876 SF	0	0	9172.03	4562D	406R

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/03/2015	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2014 Rate	2015 Rate
None	004	CYPRESS-FAIRBANKS ISD		Certified: 08/14/2015	1.440000	1.440000
	040	HARRIS COUNTY		Certified: 08/14/2015	0.417310	0.419230
	041	HARRIS CO FLOOD CNTRL		Certified: 08/14/2015	0.027360	0.027330
	042	PORT OF HOUSTON AUTHY		Certified: 08/14/2015	0.015310	0.013420
	043	HARRIS CO HOSP DIST		Certified: 08/14/2015	0.170000	0.170000
	044	HARRIS CO EDUC DEPT		Certified: 08/14/2015	0.005999	0.005422
	045	LONE STAR COLLEGE SYS		Certified: 08/14/2015	0.108100	0.107900
	457	HC MUD 157		Certified: 08/14/2015	0.800000	0.730000
	633	HC EMERG SRV DIST 9		Certified: 08/14/2015	0.060000	0.055000

Texas law prohibits us from displaying residential photographs, sketches, floor plans, or information indicating the age of a property owner on our website. You can inspect this information or get a copy at [HCAD's information center at 13013 NW Freeway.](#)

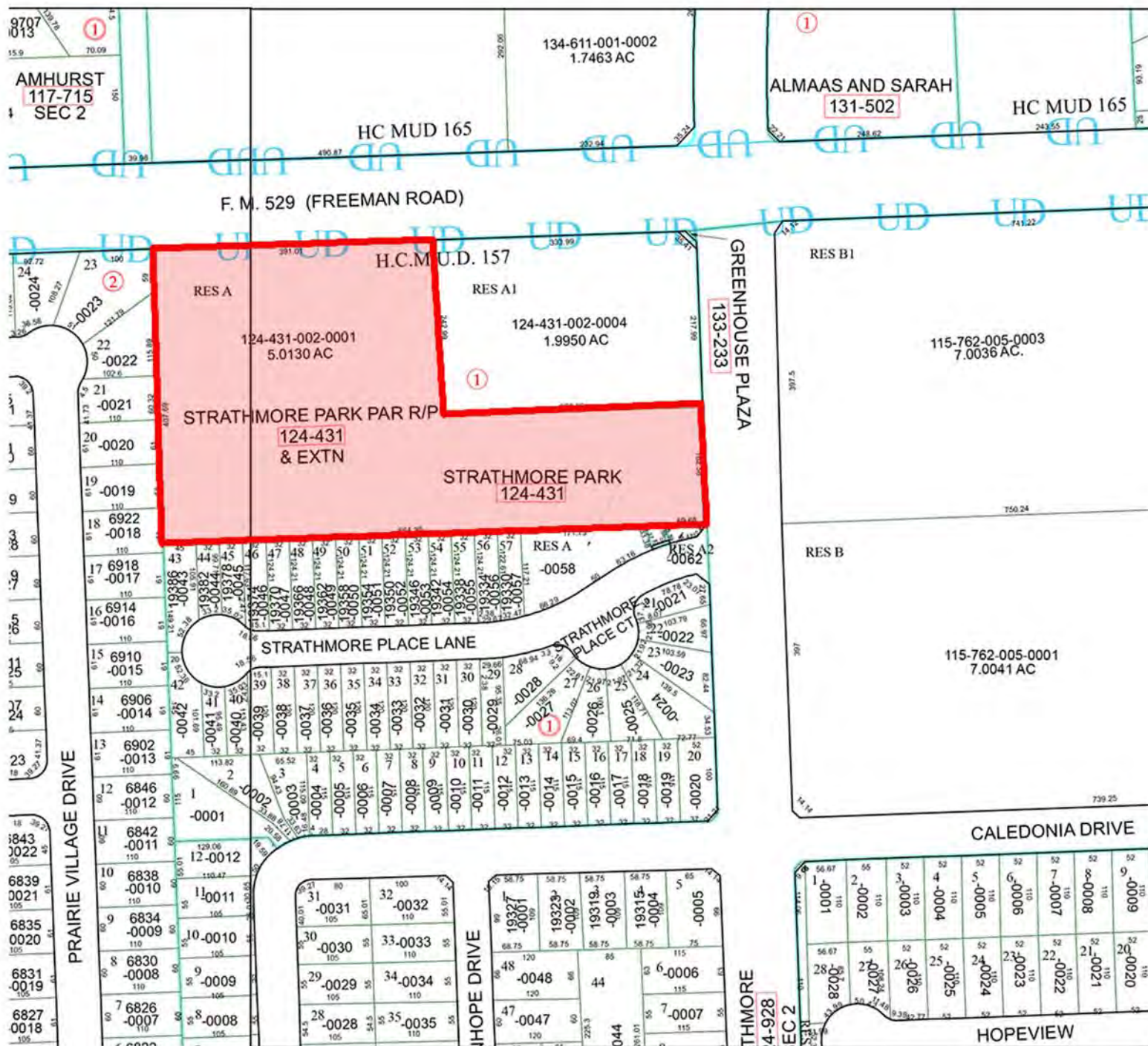
Valuations

Value as of January 1, 2014			Value as of January 1, 2015		
	Market	Appraised		Market	Appraised
Land	1,524,380		Land	1,753,070	
Improvement	0		Improvement	0	
Total	1,524,380	1,524,380	Total	1,753,070	1,753,070

Land

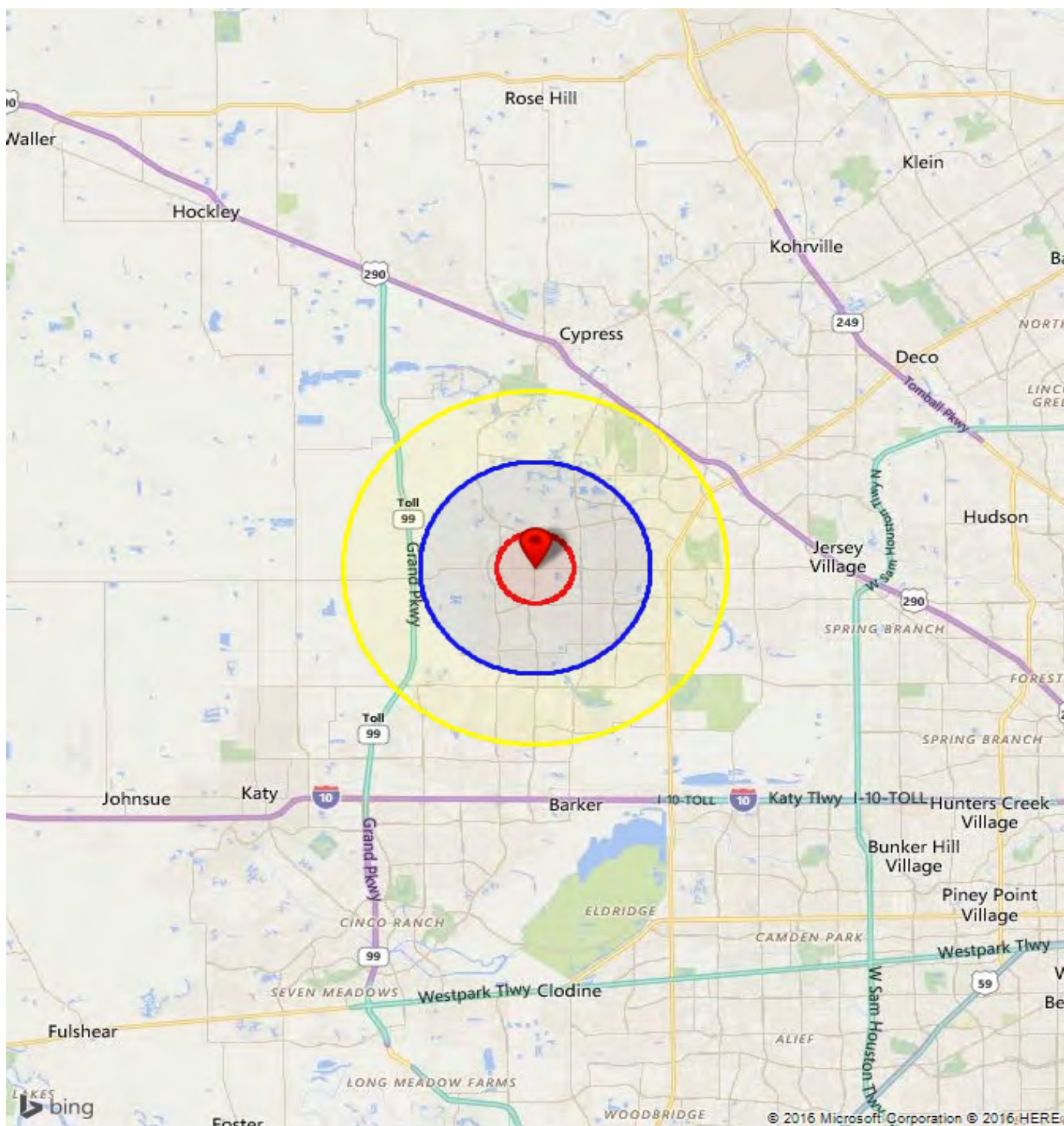
Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8000 -- Land Neighborhood General Assignment	4300	SF	76,230	1.00	1.00	1.00	--	1.00	8.00	8.00	609,840.00
2	8000 -- Land Neighborhood General Assignment	4300	SF	228,646	1.00	1.00	1.00	--	1.00	5.00	5.00	1,143,230.00

Building
Vacant (No Building Data)





FM 529 Rd & Greenhouse Rd, Cypress, TX 77433





FM 529 Rd & Greenhouse Rd, Cypress, TX 77433
Sitewise Online
STI: PopStats Population Summary

STI: PopStats Population Summary	FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 1 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 3 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 5 mi	
		%		%		%
Population						
2024 Forecast	46,955		165,966		355,851	
2019 Projection	38,664		144,146		315,404	
2014 Estimate	28,915		120,370		273,776	
2010 Census	23,473		104,660		244,219	
2000 Census	5,114		42,952		118,527	
1990 Census	2,556		24,606		74,998	
Growth 2024-2019	21.44%		15.14%		12.82%	
Growth 2019-2014	33.71%		19.75%		15.21%	
Growth 2014-2010	23.19%		15.01%		12.10%	
Growth 2010-2000	358.96%		143.67%		106.04%	
2014 Estimated Population by Ethnicity	28,915		120,370		273,776	
White	14,669	51%	67,401	56%	158,827	58%
Black	6,771	23%	22,555	19%	44,831	16%
Asian	1,650	6%	7,989	7%	22,750	8%
Other	5,826	20%	22,425	19%	47,368	17%
2014 Estimated Population Hispanic or	13,527		50,522		105,356	
2014 Estimated Total Population by Age	28,915		120,370		273,776	
Age 0 to 4	2,825	10%	10,867	9%	24,113	9%
Age 5 to 14	5,099	18%	19,406	16%	41,739	15%
Age 14 to 18	2,317	8%	9,368	8%	19,718	7%
Age 18 to 22	1,955	7%	8,388	7%	18,125	7%
Age 22 to 25	1,012	4%	4,208	3%	9,771	4%
Age 25 to 30	1,598	6%	6,552	5%	15,557	6%
Age 30 to 35	2,314	8%	8,483	7%	18,940	7%
Age 35 to 40	2,611	9%	9,897	8%	21,671	8%
Age 40 to 45	2,461	9%	9,988	8%	22,322	8%
Age 45 to 50	1,934	7%	8,464	7%	19,630	7%
Age 50 to 55	1,538	5%	7,672	6%	18,016	7%
Age 55 to 60	1,223	4%	6,501	5%	15,995	6%
Age 60 to 65	858	3%	4,538	4%	11,690	4%
Age 65 to 70	536	2%	2,795	2%	7,649	3%
Age 70 to 75	310	1%	1,569	1%	4,238	2%
Age 75 to 80	166	1%	862	1%	2,351	1%
Age 80 to 85	98	0%	493	0%	1,351	0%
Age 85 and over	59	0%	316	0%	898	0%
2014 Median Age	28.9		30.8		32.1	
2014 Average Age	29.7		31.4		32.5	
2014 Estimated Population Age 25+ by	15,706		68,132		160,309	
Less than 9th grade	1,404	9%	4,801	7%	10,403	6%



FM 529 Rd & Greenhouse Rd, Cypress, TX 77433
Sitewise Online
STI: PopStats Population Summary

STI: PopStats Population Summary	FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 1 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 3 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 5 mi	
		%		%		%
Some High School, no diploma	1,501	10%	5,560	8%	11,148	7%
High School Graduate (or GED)	4,756	30%	17,387	26%	39,357	25%
Some College, no degree	3,207	20%	16,012	24%	38,218	24%
Associate Degree	1,399	9%	5,570	8%	12,478	8%
Bachelor's Degree	2,740	17%	14,406	21%	36,304	23%
Master's Degree	560	4%	3,561	5%	9,817	6%
Professional School Degree	93	1%	454	1%	1,487	1%
Doctorate Degree	46	0%	382	1%	1,098	1%



FM 529 Rd & Greenhouse Rd, Cypress, TX 77433
Sitewise Online
STI: PopStats Household Summary

STI: PopStats Household Summary	FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 1 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 3 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 5 mi	
		%		%		%
Households						
2024 Forecast	13,024		48,241		109,304	
2019 Projection	10,725		41,958		97,147	
2014 Estimate	8,023		35,138		84,778	
2010 Census	6,515		30,598		75,953	
2000 Census	1,581		13,087		38,984	
1990 Census	899		7,894		25,948	
Growth 2024-2019	21.43%		14.98%		12.51%	
Growth 2019-2014	33.67%		19.41%		14.59%	
Growth 2014-2010	23.15%		14.84%		11.62%	
Growth 2010-2000	312.03%		133.80%		94.83%	
Population in Households						
2024 Forecast	46,410		165,130		354,360	
2019 Projection	38,230		143,392		314,072	
2014 Estimate	28,617		119,682		272,614	
Average Household Size						
2024 Forecast	3.56		3.42		3.24	
2019 Projection	3.56		3.42		3.23	
2014 Estimated	3.57		3.41		3.22	
2014 Estimated Families by Number of	6,785		29,547		68,567	
No workers	218	3%	1,197	4%	2,674	4%
1 worker	2,131	31%	10,037	34%	23,231	34%
2 workers	3,557	52%	14,857	50%	34,568	50%
3 or more workers	879	13%	3,457	12%	8,094	12%
2014 Estimated Housing Units by Tenure	8,382		36,817		89,127	
Vacant Housing Units	358	4%	1,679	5%	4,348	5%
Occupied Housing Units	8,023	96%	35,138	95%	84,778	95%
Owner-Occupied	6,119	73%	27,558	75%	63,159	71%
Renter-Occupied	1,905	23%	7,580	21%	21,620	24%
2014 Estimated Per Capita Income	\$ 20,136		\$ 23,873		\$ 26,827	



FM 529 Rd & Greenhouse Rd, Cypress, TX 77433
Sitewise Online
Ten Year Projected Population by Age and Sex

Ten Year Projected Population by Age and Sex	FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 1 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 3 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 5 mi	
		%		%		%
Ten Year Projected Total Population	46,955		165,966		355,851	
Age 0 to 4	3,634	8%	12,409	7%	26,195	7%
Age 5 to 14	6,921	15%	23,166	14%	48,922	14%
Age 14 to 18	3,164	7%	10,441	6%	21,799	6%
Age 18 to 22	3,325	7%	10,863	7%	21,935	6%
Age 22 to 25	2,424	5%	8,344	5%	16,770	5%
Age 25 to 30	3,692	8%	13,111	8%	26,820	8%
Age 30 to 35	2,959	6%	10,696	6%	22,635	6%
Age 35 to 40	2,258	5%	7,945	5%	17,781	5%
Age 40 to 45	3,301	7%	10,458	6%	21,932	6%
Age 45 to 50	3,676	8%	12,096	7%	25,071	7%
Age 50 to 55	3,412	7%	11,980	7%	25,451	7%
Age 55 to 60	2,610	6%	9,869	6%	21,854	6%
Age 60 to 65	2,026	4%	8,610	5%	19,387	5%
Age 65 to 70	1,538	3%	6,961	4%	16,475	5%
Age 70 to 75	1,023	2%	4,605	3%	11,342	3%
Age 75 to 80	576	1%	2,581	2%	6,756	2%
Age 80 to 85	287	1%	1,245	1%	3,205	1%
Age 85 and over	131	0%	587	0%	1,520	0%
Median Age	30.5		32.2		33.4	
Average Age	33.2		34.6		35.5	
Ten Year Projected Male Population	23,059		81,535		174,706	
Age 0 to 4	1,856	4%	6,336	4%	13,374	4%
Age 5 to 14	3,529	8%	11,819	7%	24,966	7%
Age 14 to 18	1,630	3%	5,337	3%	11,091	3%
Age 18 to 22	1,747	4%	5,580	3%	11,111	3%
Age 22 to 25	1,241	3%	4,266	3%	8,495	2%
Age 25 to 30	1,852	4%	6,696	4%	13,645	4%
Age 30 to 35	1,518	3%	5,506	3%	11,687	3%
Age 35 to 40	1,091	2%	3,890	2%	8,741	2%
Age 40 to 45	1,508	3%	4,840	3%	10,325	3%
Age 45 to 50	1,695	4%	5,568	3%	11,655	3%
Age 50 to 55	1,620	3%	5,686	3%	12,074	3%
Age 55 to 60	1,272	3%	4,751	3%	10,512	3%
Age 60 to 65	948	2%	4,063	2%	9,227	3%
Age 65 to 70	720	2%	3,283	2%	7,749	2%
Age 70 to 75	430	1%	2,083	1%	5,219	1%
Age 75 to 80	253	1%	1,148	1%	3,020	1%
Age 80 to 85	111	0%	507	0%	1,327	0%
Age 85 and over	38	0%	177	0%	487	0%
Male Median Age	29.1		30.7		32.0	
Male Average Age	32.2		33.7		34.6	



FM 529 Rd & Greenhouse Rd, Cypress, TX 77433
Sitewise Online
Ten Year Projected Population by Age and Sex

Ten Year Projected Population by Age and Sex	FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 1 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 3 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 5 mi	
		%		%		%
Five Year Projected Female Population	23,896		84,431		181,145	
Age 0 to 4	1,778	4%	6,073	4%	12,821	4%
Age 5 to 14	3,392	7%	11,347	7%	23,957	7%
Age 14 to 18	1,533	3%	5,104	3%	10,707	3%
Age 18 to 22	1,578	3%	5,282	3%	10,824	3%
Age 22 to 25	1,183	3%	4,078	2%	8,275	2%
Age 25 to 30	1,840	4%	6,415	4%	13,175	4%
Age 30 to 35	1,441	3%	5,190	3%	10,948	3%
Age 35 to 40	1,167	2%	4,055	2%	9,040	3%
Age 40 to 45	1,793	4%	5,619	3%	11,606	3%
Age 45 to 50	1,981	4%	6,528	4%	13,416	4%
Age 50 to 55	1,792	4%	6,294	4%	13,377	4%
Age 55 to 60	1,338	3%	5,118	3%	11,342	3%
Age 60 to 65	1,078	2%	4,547	3%	10,160	3%
Age 65 to 70	818	2%	3,678	2%	8,726	2%
Age 70 to 75	593	1%	2,522	2%	6,123	2%
Age 75 to 80	322	1%	1,433	1%	3,736	1%
Age 80 to 85	175	0%	738	0%	1,879	1%
Age 85 and over	93	0%	410	0%	1,033	0%
Median Age	32.2		33.8		34.9	
Female Average Age	34.2		35.5		36.4	



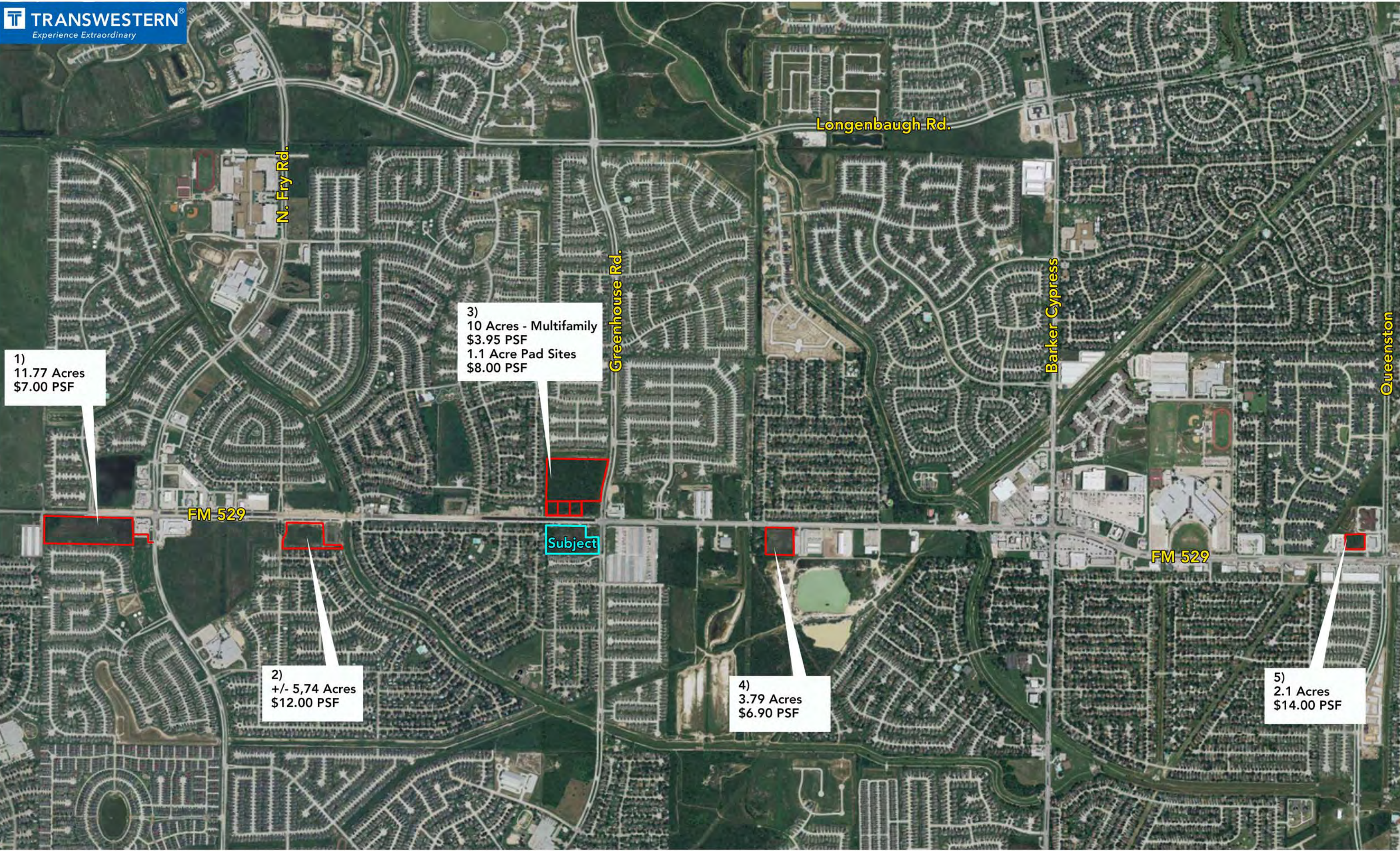
FM 529 Rd & Greenhouse Rd, Cypress, TX 77433
Sitewise Online
Five Year Estimated Households by Household Income

Five Year Estimated Households by Household Income	FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 1 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 3 mi		FM 529 Rd & Greenhouse Rd, Cypress, TX 77433 0 - 5 mi	
		%		%		%
Five Year Projected Households by	10,725		41,958		97,147	
Less than \$10,000	271	3%	1,221	3%	2,491	3%
\$10,000 to \$14,999	255	2%	1,020	2%	2,233	2%
\$15,000 to \$19,999	397	4%	1,180	3%	2,571	3%
\$20,000 to \$24,999	408	4%	1,457	3%	3,210	3%
\$25,000 to \$29,999	320	3%	1,231	3%	3,086	3%
\$30,000 to \$34,999	383	4%	1,483	4%	3,628	4%
\$35,000 to \$39,999	462	4%	1,563	4%	3,590	4%
\$40,000 to \$44,999	426	4%	1,671	4%	3,880	4%
\$45,000 to \$49,999	517	5%	1,764	4%	3,842	4%
\$50,000 to \$54,999	534	5%	1,869	4%	3,839	4%
\$55,000 to \$59,999	544	5%	1,814	4%	4,058	4%
\$60,000 to \$64,999	467	4%	1,587	4%	3,599	4%
\$65,000 to \$69,999	460	4%	1,617	4%	3,649	4%
\$70,000 to \$74,999	432	4%	1,406	3%	3,177	3%
\$75,000 to \$79,999	359	3%	1,316	3%	3,060	3%
\$80,000 to \$84,999	417	4%	1,385	3%	3,083	3%
\$85,000 to \$89,999	404	4%	1,449	3%	3,117	3%
\$90,000 to \$94,999	388	4%	1,319	3%	2,811	3%
\$95,000 to \$99,999	323	3%	1,213	3%	2,675	3%
\$100,000 to \$124,999	1,335	12%	5,428	13%	11,923	12%
\$125,000 to \$149,999	733	7%	3,109	7%	7,733	8%
\$150,000 to \$174,999	352	3%	1,977	5%	5,461	6%
\$175,000 to \$199,999	173	2%	1,367	3%	3,702	4%
\$200,000 to \$249,999	147	1%	1,007	2%	2,705	3%
\$250,000 to \$499,999	201	2%	1,377	3%	3,700	4%
\$500,000 or more	17	0%	123	0%	329	0%
Median Household Income	\$ 69,108		\$ 75,355		\$ 77,816	
Average Household Income	\$ 79,383		\$ 89,571		\$ 95,222	



SECTION IV

LISTINGS AERIALS & FLYERS



1)
11.77 Acres
\$7.00 PSF

2)
+/- 5.74 Acres
\$12.00 PSF

3)
10 Acres - Multifamily
\$3.95 PSF
1.1 Acre Pad Sites
\$8.00 PSF

Subject

4)
3.79 Acres
\$6.90 PSF

5)
2.1 Acres
\$14.00 PSF



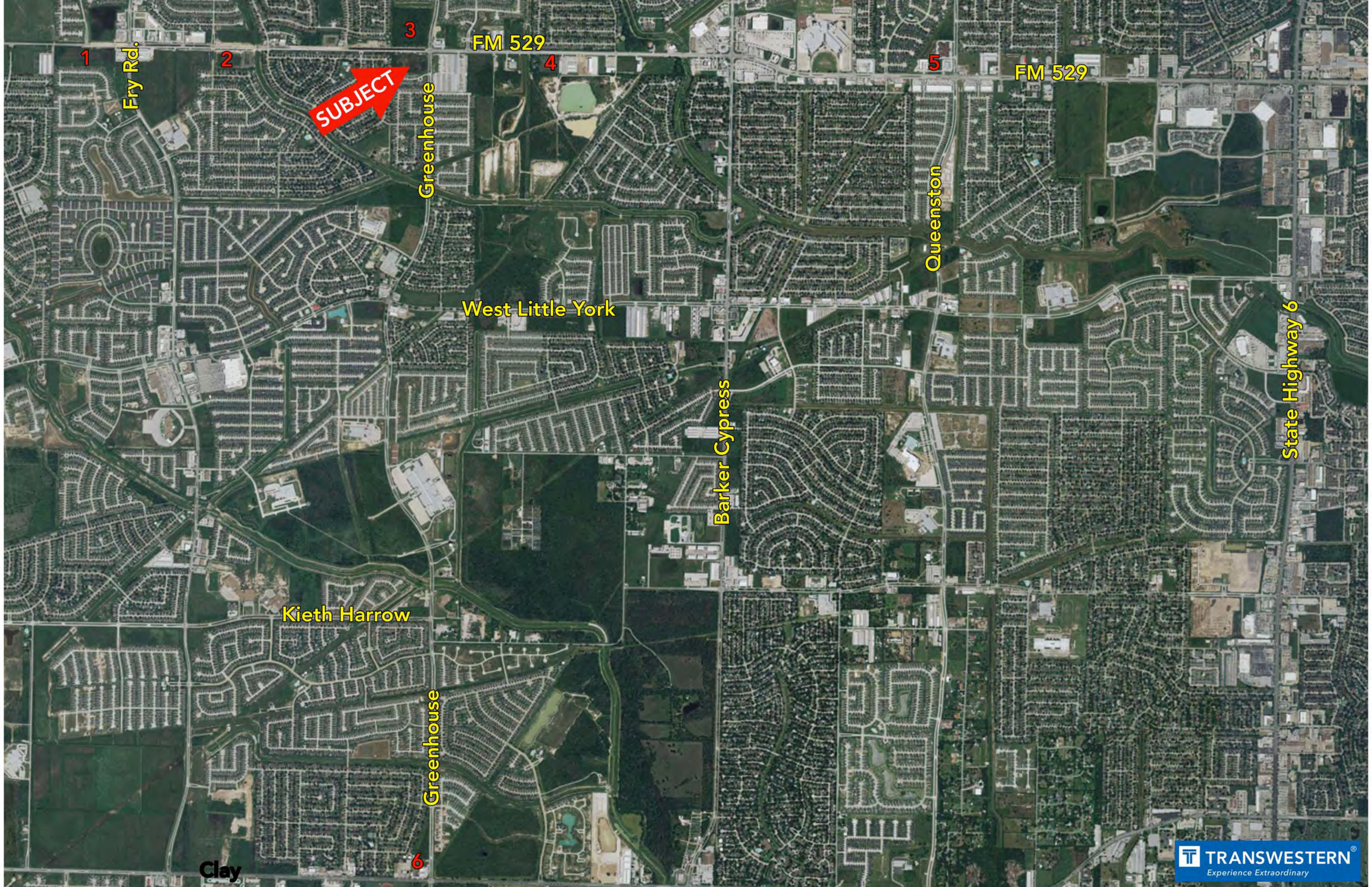
Fry Road

Clay Road

Westfield Parkway

Greenhouse

6)
2.41 Acres
\$5.95 PSF



LAND LISTINGS - FM 529 AREA

Location	Size	Price	Utilities	Comments
1 FM 529 & Fry Road	11.77 Acres	\$7.00 PSF \$3,589,000	Yes	On-Site Detention required
2 FM 529 and Enchanted Crest	5.74 Acres	\$12.00 PSF \$3,000,412	Yes	Detention Available
3 FM 529 & Greenhouse	3-1.1 Ac Pads 10 Acres	Pads \$8.00 PSF 10 Acres - \$3.95 PSF	Available	Floodplain to be determined
4 FM 529, west of Barker Cypress	3.79 Acres	\$6.90 PSF \$1,139,138		Not in floodplain
5 FM 529, west of Queenston	2.1 Acres	\$14.00 PSF \$1,280,665	Available	
6 Clay Road & Greenhouse	2.41 Acres	\$5.95 PSF \$624,631	Available	Retail, Office, Industrial or specialty use
SUBJECT: South of FM 529 & Greenhouse	7 Acres			

FOR SALE > PREMIER DEVELOPMENT SITE

11.77 Acres

FM 529 AND FRY ROAD, HOUSTON, TX 77449



Property Overview

- > Pricing: \$3,589,000 (\$7.00 SF)
- > Available Acreage: 11.77 Acres
- > Utilities: Provided by Harris County MUD #157
- > Flood Plain: Not located within the 100 year flood plain
- > Key Map: 406Q
- > Detention: On-site detention required
- > Grand Parkway is now open, located 3 miles west of the property
- > Access Easement in place to Fry Road
- > FM 529 widening is now completed
- > New Fiesta anchored retail center now open

CHRISTOPHER D. WINTERS
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For more information
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FOR SALE > PREMIER DEVELOPMENT SITE

11.77 Acres

FM 529 AND FRY ROAD, HOUSTON, TX 77449



Property Highlights

The property is strategically located at the southwest corner of FM 529 and Fry Road in growing West Houston. With continued growth in this area of Houston, this site is prime for additional retail and commercial development to meet future demand. Infrastructure improvements to Fry Road and continuing development of single family subdivisions further support the need for additional retail and commercial businesses.

Demographics

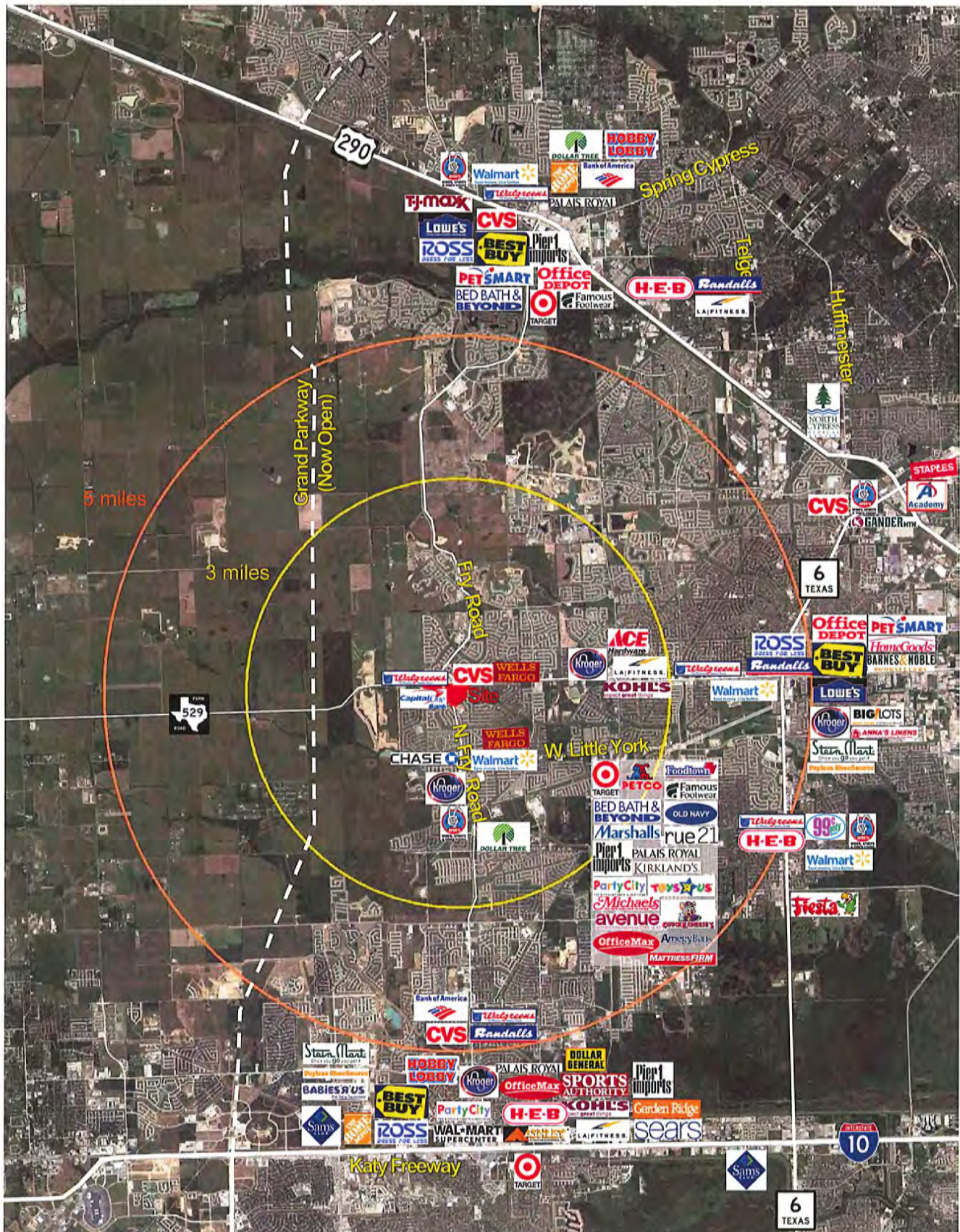
	<u>1 miles</u>	<u>3 miles</u>	<u>5 miles</u>
2015 Projected Population	11,464	69,059	203,364
2012 Est. Household Income	\$72,539	\$75,944	\$88,582
2015 Projected Households	3,499	20,815	62,084

Traffic Counts

FM 529 E of Fry Road = 8,238 cpd*
FM 529 W of Fry Road = 8,225 cpd*
Fry Road N of FM 529 = 12,023 cpd*
N. Fry Road S of FM 529 = 17,107 cpd*

* 2013 Traffic Volume

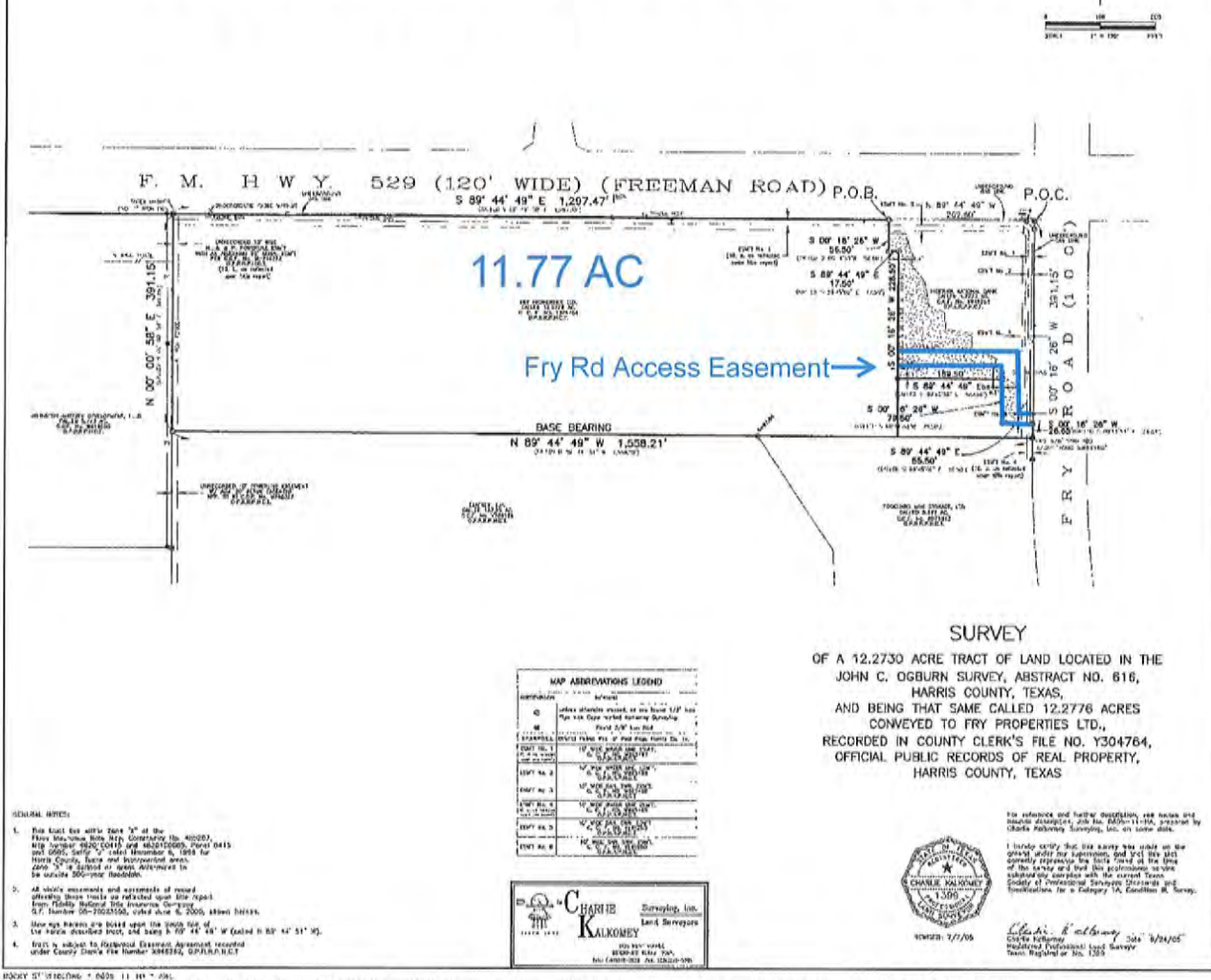
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11.77 Acres

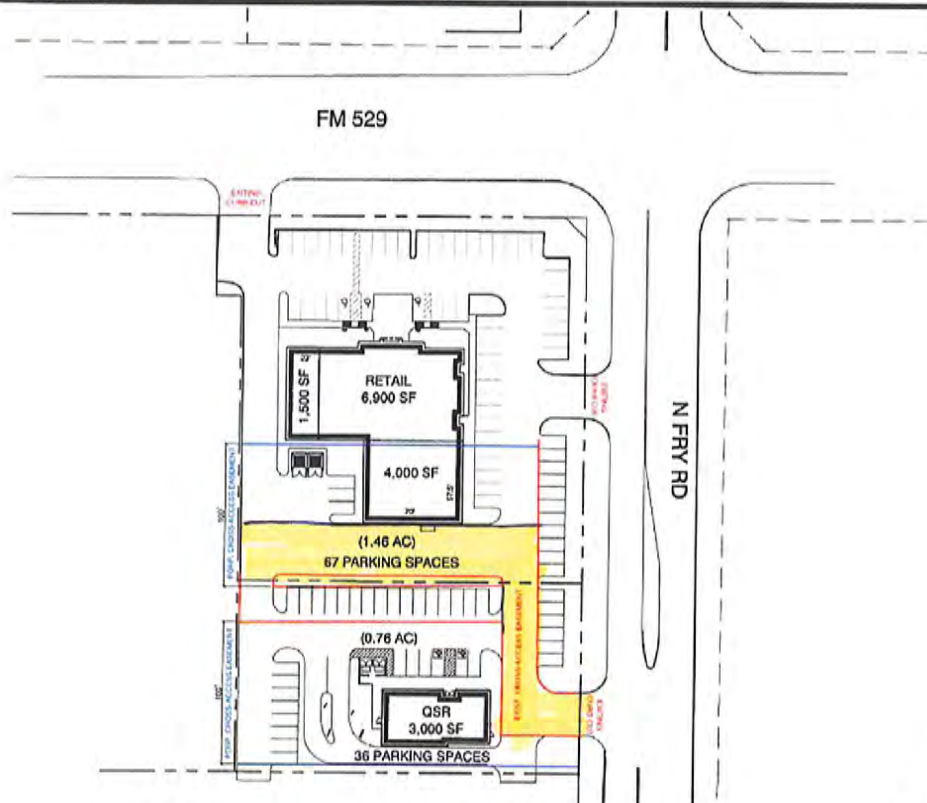
HARRIS COUNTY, TEXAS
JOHN C. OGBURN SURVEY, ABSTRACT 616



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11.77 Acres

HARRIS COUNTY, TEXAS
JOHN C. OGBURN SURVEY, ABSTRACT 616
SITE PLAN ACCESS EASEMENT



identityARCHITECTS

111 Fonda Street, Houston, Texas 77002
Voice 713.515.2150 Fax 713.515.2150

SITE PLAN SCHEME A

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Contact Us

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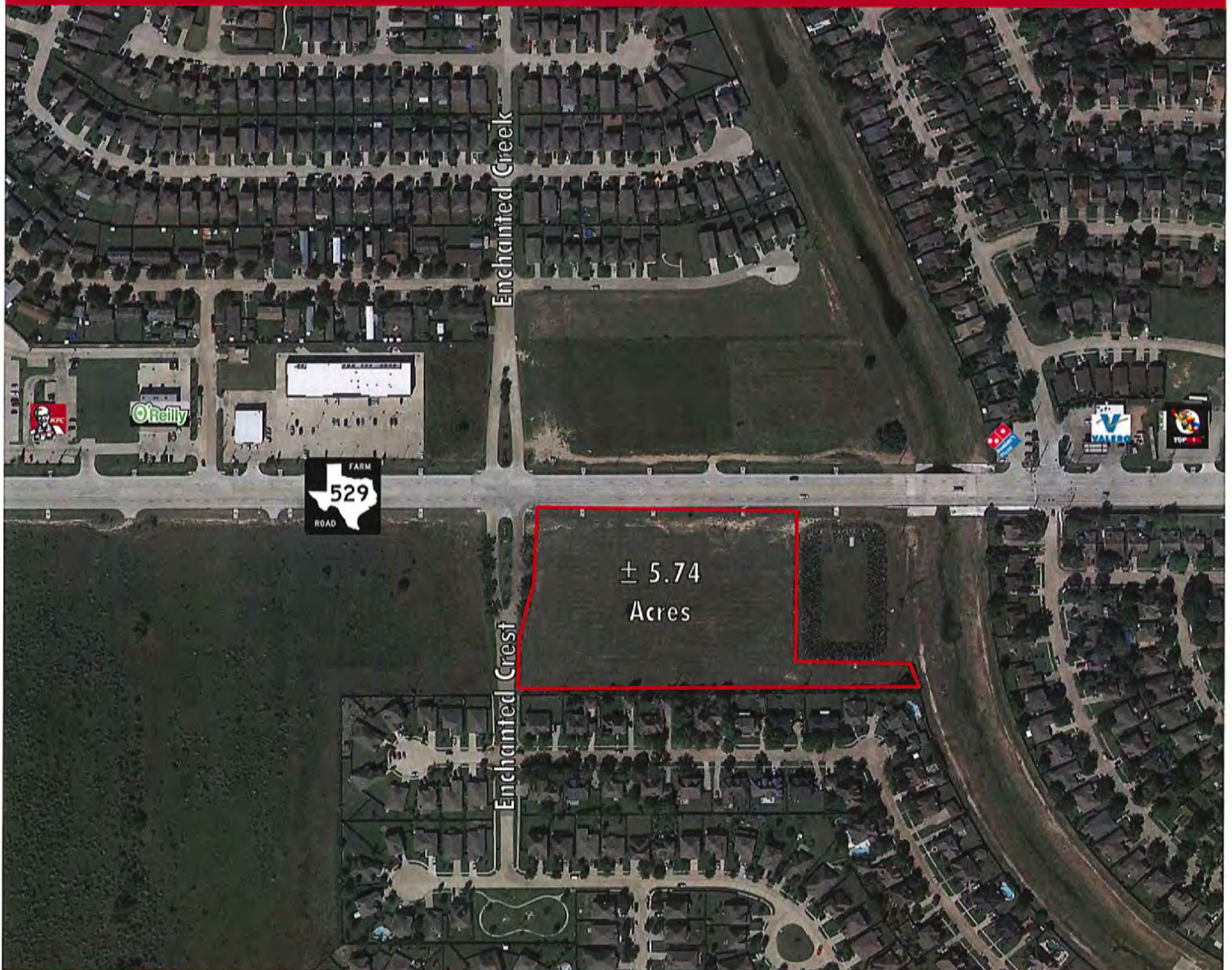


± 5.74 Acres

FM 529 and Enchanted Crest | Katy, Texas

Glenn Dickerson | 281.477.4300

Available for Sale



Leasing | Tenant Representation | Development | Land Brokerage | Investment Sales | Property Management

8827 W. Sam Houston Parkway N. | Suite 200 | Houston, Texas 77040

± 5.74 Acres

FM 529 and Enchanted Crest | Katy, Texas



PROPERTY DESCRIPTION

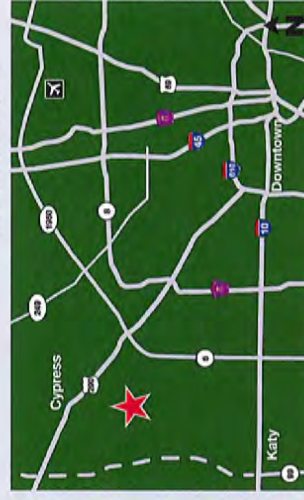
Located at SEC of Enchanted Crest and FM 529 in growing West Houston. Strategically located 1/3 mile from Fry and FM 529. Grand Parkway is 3 miles West.

Approximate Size: 5.74 Acres
Pricing: \$12.00 PSF
Traffic Counts: 18,235 CPD
Utilities: HC MUD 157
Engineering/Detention: Detention Available
School District: Cypress-Fairbanks ISD
Latitude/Longitude: 29.879174, -95.717205
Frontage: 553.4 ft - FM 529
 412.9 ft - Enchanted Crest Drive

Demographics

- Active Population:
 - 1 Mile: 15,648
 - 3 Mile: 92,639
 - 5 Mile: 236,514
- Average Household Income:
 - 1 Mile: \$71,224
 - 3 Mile: \$75,018
 - 5 Mile: \$81,312
- Residential Count:
 - 1 Mile: 4,452
 - 3 Mile: 26,647
 - 5 Mile: 71,916
- Growth Since 2000 Census:
 - 1 Mile: 12.27%
 - 3 Mile: 9.42%
 - 5 Mile: 8.65%

Source: USGS Polar Count, 3/13



CONTACT

Glenn Dickerson
 281.477.4384 | gldickerson@newquest.com

FOR SALE MULTI-FAMILY & PAD SITES AVAILABLE

THREE +/- 1.1 AC PAD SITES & +/- 10 AC MULTI-FAMILY | FM 529 & GREENHOUSE RD | HOUSTON, TX

PRICE REDUCTION

• Asking Price
Pad Sites: \$8.00 PSF
Multi-family site: ~~\$4.50 PSF~~
\$3.95 PSF

• Land Size
Three +/- 1.1 Acre pad sites for commercial development

• 10 Acres available for Multi-Family development

• Utility Information
Utilities available through Harris County MUD #165

• Flood Plain Information
To be determined by independent study

• Frontage
FM 529 (484')
Greenhouse Rd (566')

• 1.7 Acres at hard corner
SOLD for STRIPES
service station



MCALISTER

Real Estate

JAMES KADLICK

713.535.2207

JAMES@MCA-RE.COM

CHRIS HUTCHESON

713.535.2235

CHRIS@MCA-RE.COM

MATT HERRING

713.535.2231

MATT@MCA-RE.COM

3200 SOUTHWEST FREEWAY, SUITE 3000 | HOUSTON, TEXAS | MCA-RE.COM

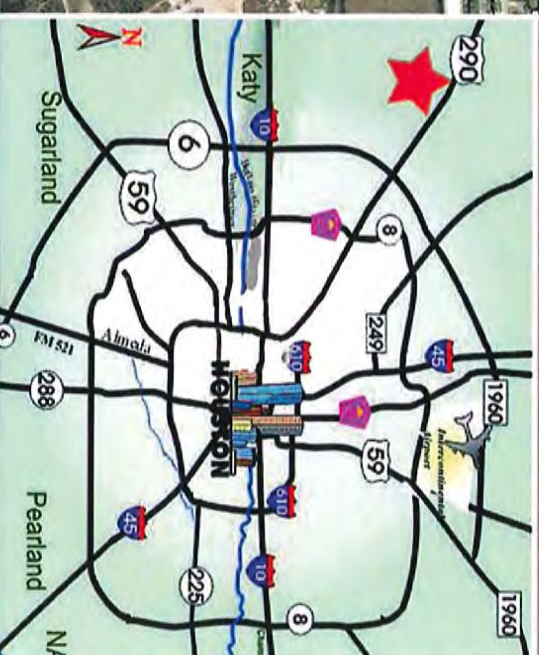
**FOR
SALE**

MULTI-FAMILY & PAD SITES AVAILABLE

THREE +/- 1.1 AC PAD SITES & +/- 10 AC MULTI-FAMILY | FM 529 & GREENHOUSE RD | HOUSTON, TX



- No detention required
- Located at the newly lighted intersection of FM 529 & Greenhouse Rd.
- Greenhouse Rd is currently being expanded and will become a major artery into thousands of acres of residential development



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**FOR
SALE**

MULTI-FAMILY & PAD SITES AVAILABLE

THREE +/- 1.1 AC PAD SITES & +/- 10 AC MULTI-FAMILY | FM 529 & GREENHOUSE RD | HOUSTON, TX

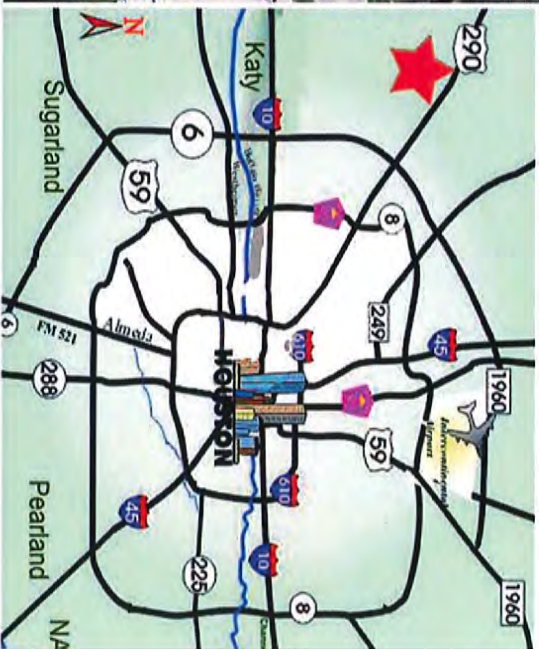


DEMOGRAPHICS

POPULATION HHINCOME	
1 MILE	14,819 \$84,956
3 MILE	87,530 \$85,001
5 MILE	183,769 \$83,282

KEY MAP

406R



MCALISTER

Real Estate

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CHRIS HUTCHESON
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CHRIS@MCA-RE.COM

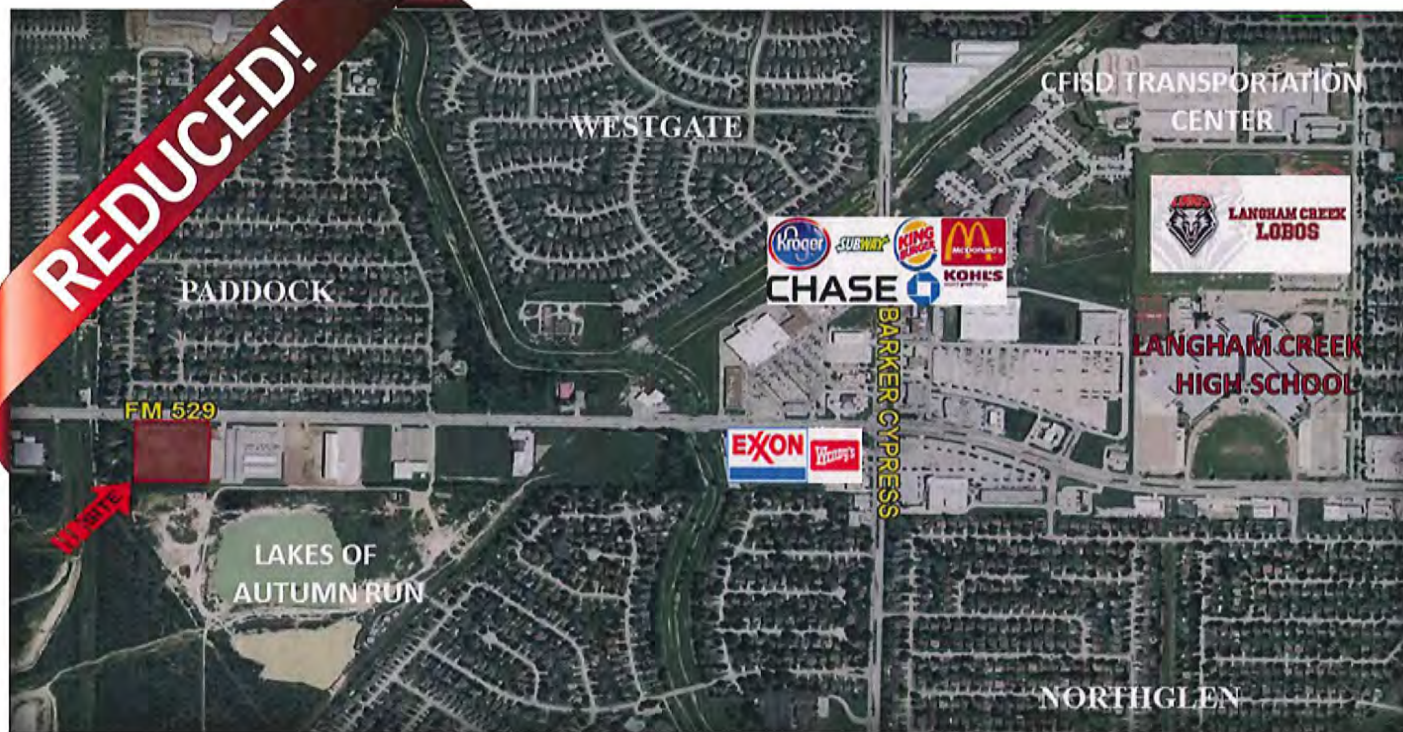
MATT HERRING
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MATT@MCA-RE.COM

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Land for Sale | 3.79 Acres

FM 529



For Sale ■ 3.79 Acres ■ Ideal Use: Commercial Development

FEATURES

- Approximately 415 Ft of frontage on FM 529
- Approximately 392 Ft of Depth
- Not in floodplain
- Approximately 20,000 CPD

Taxes

Cypress Fairbanks ISD	\$1.45
Harris County	\$0.69
Lone Star College	\$0.11
Total Taxes:	\$2.25

Kay Map: 407N

Demographics

3 Mile Radius

Population: 160,188

Average HH Income: \$94,907

5 Mile Radius

Population: 292,075

Average HH Income: \$95,734

\$6.90 PSF or \$1,139,138

The information contained herein is believed to be correct. However, no warranty or representation is made. All prices are subject to change without notice and property is subject to prior lease, sale or withdrawal from the market without notice.

For more information, contact

Keith K. Edwards, CCIM, SIOR | 281.664.6633 | KEdwards@CaldwellCos.com

Clay Roper | 281.664.6632 | CRoper@CaldwellCos.com

Daniel Greco | 281.664.6629 | DGreco@CaldwellCos.com

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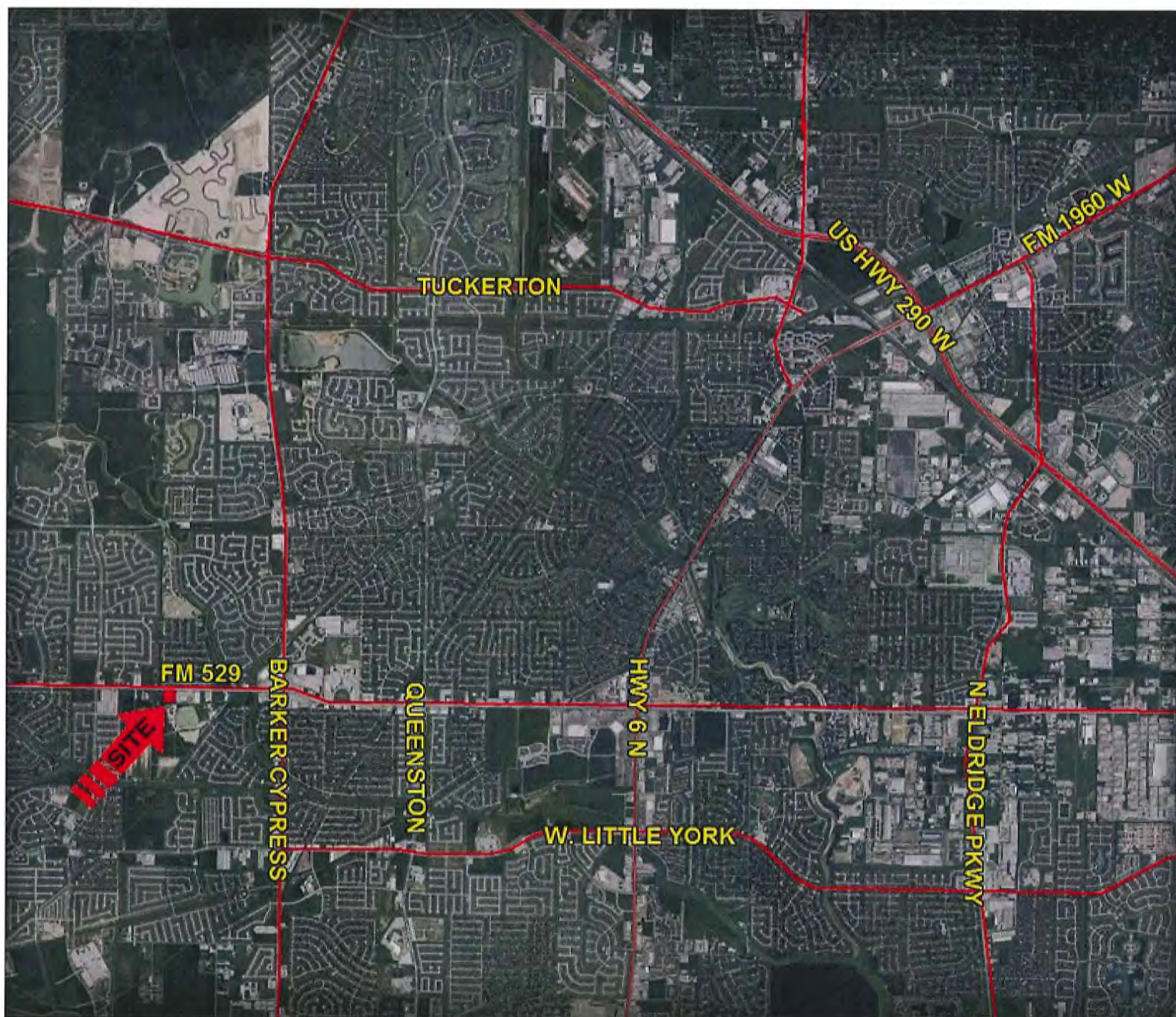


Doing it right. Right now.



Aerial | 3.79 Acres

FM 529



For more information, contact

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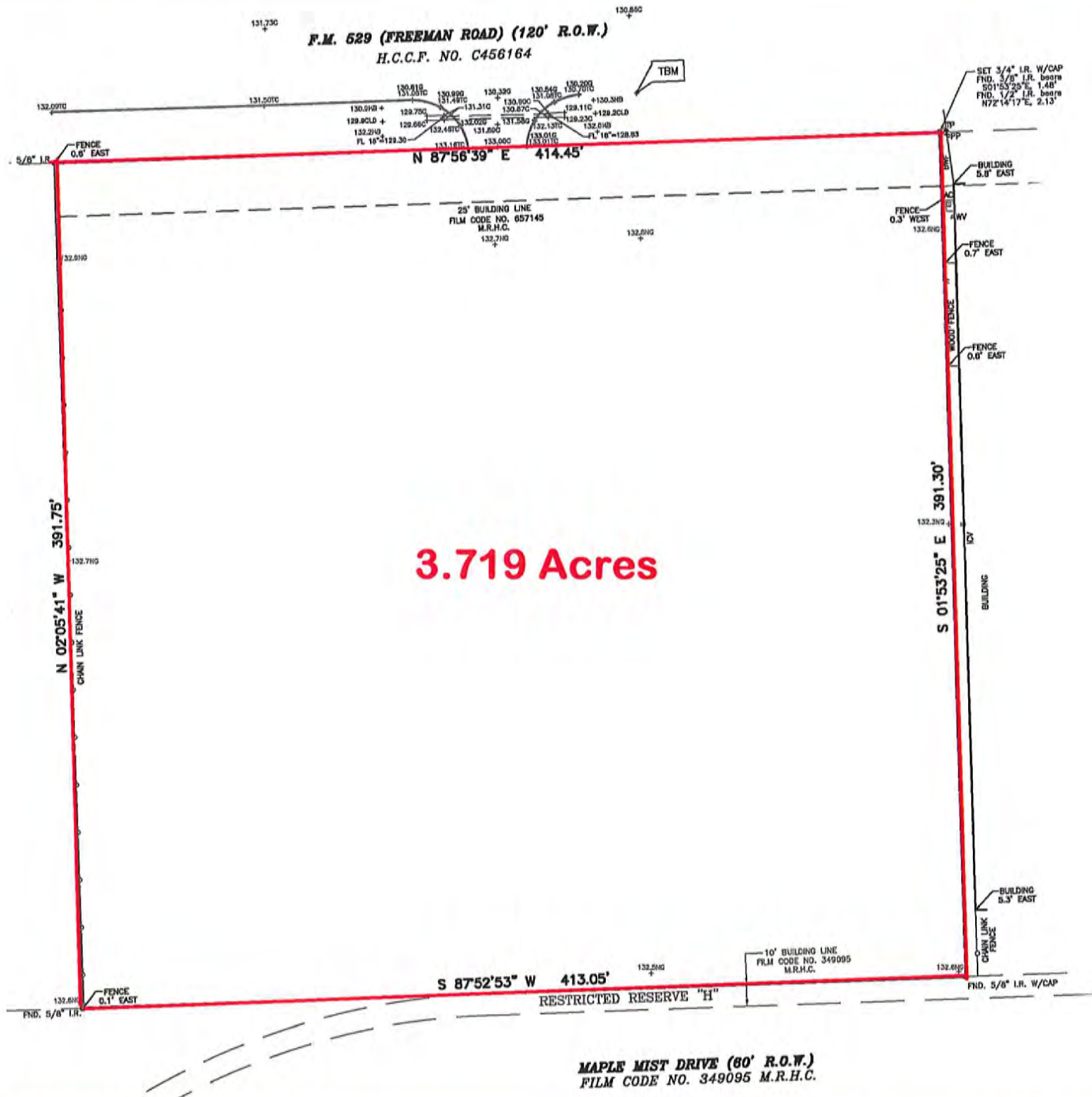
CALDWELL
COMPANIES

Doing it right. Right now.



Survey | 3.79 Acres

FM 529



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713.690.0000 CaldwellCos.com



CALDWELL
COMPANIES

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Land for Sale | 2.1 Acres

FM 529



For Sale ■ 2.1 Acres ■ Ideal Use: Commercial Development

FEATURES

- Approximately 290 Ft of Frontage on FM 529
- Approximately 315 Ft of Depth
- Utilities available through Langham Creek UD
- Approximately 17,500 CPD
- Great Retail Site

Taxes

Cypress-Fairbanks ISD	\$1.44
Harris County	\$0.62
Lone Star College	\$0.10
HC Emerg. SRV Dist. #9	\$0.06
Langham Creek UD	\$0.66
Total Taxes:	\$2.89

Key Map: 407Q

Demographics

3 Mile Radius

Population: 160,732

Average HH Income: \$94,841

5 Mile Radius

Population: 295,607

Average HH Income: \$95,925

\$14.00 PSF OR \$1,280,665

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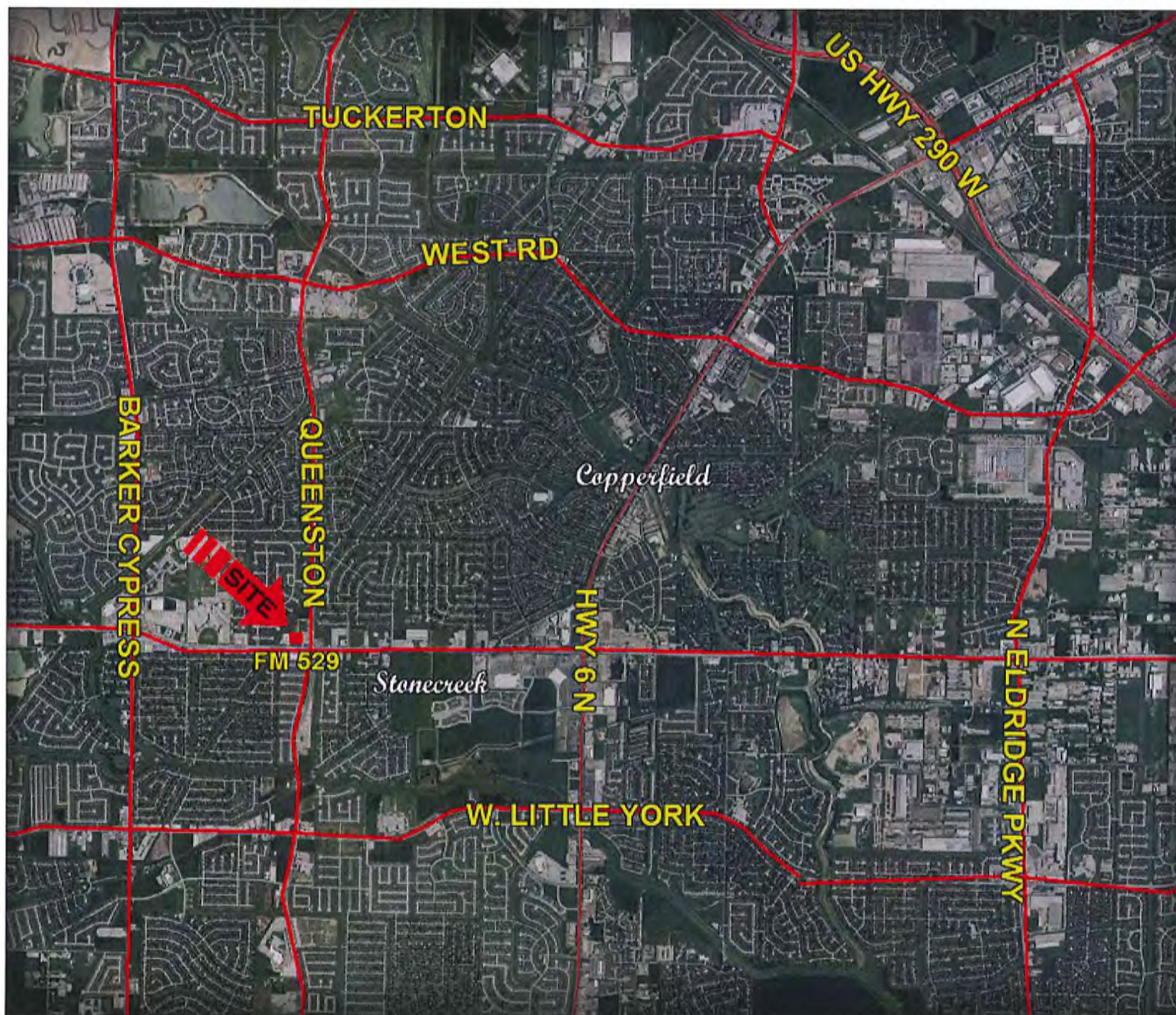


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Aerial | 2.1 Acres

FM 529



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Daniel Greco | 281.664.6629 | DGreco@CaldwellCos.com

713.690.0000 CaldwellCos.com



CALDWELL
COMPANIES

Doing it right. Right now.

Julie Lorino

From: Julie Lorino
Sent: Monday, February 29, 2016 2:49 PM
To: Julie Lorino
Subject: Land, Sale, Katy, TX -

Houston

Commercial Real Estate Information



2.41 Acres at Clay & Greenhouse



All utilities available. Excellent for retail, office, industrial or specialty use. Located near the corner of Clay Road and Greenhouse Road next to and behind the Shell Gas Station. (Site does NOT include the Shell Gas Station.) Easy access to I-10 and FM529.

Location

NW of Clay Rd and Greenhouse Rd
Katy, TX 77449
Park/Complex Name:
Market: Northwest
Submarket: Outer Northwest-1900
Cross Streets: NW of Clay Rd and Greenhouse Rd

Listing Summary

Price	\$624,631
Price/Ac.	\$259,182.99/Ac.
Price/SF	\$5.95/SF
Sale Type	Owner/User

Property Description

Lot Size Ac.	2.41 Ac.	Frontage	Gas	No
Lot Size SF	105,041 SF	Depth	Electricity	No
Divisible		Zoning	Water	No
			Sewer	No
			Rail	No

Available Lots

Lot #	Parcel Sz. (Ac.)	Max Contig (Ac.)	Min Div (Ac.)	Price	Price/Ac.	Price/SF
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CMI Brokerage

Trent Vacek (713) 961-4666

2359681

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CMI Brokerage - CMI Brokerage
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SECTION V

MARKETING PLAN / TOOLS



Transwestern is eager to begin the marketing efforts and work as part of your strategic team providing you with comprehensive real estate services. We will leave no stone unturned in uncovering interested parties that will create the most successful outcome for you utilizing the following process:

Marketing Plan

All marketing will be performed by Transwestern as outlined below:

1. Review and develop high quality collateral materials to effectively present the Property as a unique opportunity.
2. Create a comprehensive due diligence brochure.
3. Notify all neighboring property owners, investors and developers.
4. E-Mail Communications. To all commercial brokers, land developers and investors in the Houston area, highlighting the property's availability and attributes. Transwestern implements a special e-mail program for cost effective multiple promotions to brokers, land developers and investors.
5. Internet News Resources. Releases will be forwarded to major Internet real estate services including:
 - Transwestern's web site
 - Loop Net
 - CoStar
 - Commercial Gateway
 - Houston Chronicle

MARKETING TOOLS

1. Marketing Package

We will prepare a professional and detailed marketing presentation. A detailed marketing presentation will be assembled in our in-house research department and graphics department and would include all relevant property information.

2. Email Broadcasts

Email blasts via Commercial Gateway reach more than 6,000 brokers and potential purchasers instantly, and an additional email blast via the REDNews goes to another contact list of 6,000. An in-house email blast reaches another 1,500 contacts.

3. Advertising

We will continually monitor publications that offer the best exposure for the property locally and nationally. The marketing presentation will be distributed to owners, investors, company clients, and all interested parties that we feel are qualified Buyers.

4. Company Website – www.transwestern.net

Our website is widely viewed on a daily basis by brokers, developers, and investors throughout the country.

5. Commercial Gateway – www.commgate.com

Commercial Gateway, Houston's Commercial Information Exchange (CIE), is the new commercial real estate resource for the greater Houston area. Designed solely for internet marketing, Commercial Gateway is the perfect vehicle to disseminate all property information to the thousands of people in Houston's commercial real estate community. Commercial Gateway has teamed up with the Houston Business Journal as the exclusive information provider for the new commercial office-leasing guide that the Houston Business Journal began publishing in 2002. Commercial Gateway is becoming the source of commercial property information in the greater Houston area.



commercial gateway

MARKETING TOOLS (CONTINUED)

6. LoopNet – www.loopnet.com

LoopNet is a leading information services provider that offers a suite of products and services tailored to the national and local needs of the commercial real estate industry. LoopNet operates the largest and most heavily trafficked commercial real estate listing service online with more than 2.2 million registered members and 920,000 unique visitors monthly. The LoopNet online marketplace contains more than \$440 billion of property available for sale and 3.4 billion square feet of property available for lease. LoopNet covers all commercial real estate categories including commercial land, office space, industrial, multi-family (apartments) and retail. LoopNet attracts the largest community of commercial real estate professionals including brokers, investors, tenants, property managers, landlords and appraisers.

7. SIOR has certified more than 2,800 of its members with the prestigious SIOR designation, a professional symbol of the highest level of knowledge, production and ethics in the real estate industry. Real estate professionals who have earned the SIOR designation are recognized by corporate real estate executives, commercial real estate brokers, agents, lenders and other real estate professionals as the most capable and experienced brokerage practitioners in any market. SIOR designees can hold the following specialty designations: industrial, office, sales manager, executive manager or advisory service.

SIOR also includes associate members who include corporate executives, developers, educators and other involved in the commercial real estate industry.



MARKETING TOOLS (CONTINUED)

8. Professional Signage

Transwestern will erect signs on the property to identify the property as Transwestern's listing.

9. Houston Chronicle

Commercial real estate web site - www.chron.com

10. CoStar – www.costar.com

Subscription research service used by commercial brokers, developers and investors.

11. Personal Website

www.commercialrealestatehouston.com



HOUSTON★CHRONICLE



Connecting Resources with Real Estate Opportunities
A. David Schwarz III, SIOR



SECTION VI

PROJECT TIMETABLE & MARKETING COSTS

TIMETABLE FOR THE MARKETING



TASK

Award marketing contract
Execute Listing Agreement
Organize Property Information (BPO)
Commence prospect research
Erect signs on property
Submit information to CommGate.com & LoopNet.com
Email distribution
Complete sales brochures
Phone contacts/meetings

NUMBER OF WORKING DAYS

Begin date
5 working days
10 working days
15 working days
5 working days
5 working days
5 working days
15 working days
As needed

MARKETING COSTS

The following itemized cost shall be the responsibility of Transwestern:

1. Creating marketing presentations
2. Signage
3. All personnel time including brokers, research and graphics (ads, media, brochures)

DIRECT PROJECT COSTS

The following itemized costs shall be the responsibility and the property of the owner:

1. If needed, outside engineering report on the location and availability of potable water, sanitary sewer, storm water control, electricity and natural gas.
2. If needed, outside engineering report on the ordinances governing on-site parking requirements for each potential use, residential, retail, office, medical office, entertainment, etc.



SECTION VII

FEE SCHEDULE



FEE SCHEDULE

Proposed Compensation	
Term:	Six (6) Month Exclusive Sale Assignment with automatic renewals not to exceed twenty-four (24) months.
Compensation:	Five percent (5%) of the gross purchase price or consideration agreed to between Owner and Buyer, if David Schwarz and Carlos Bujosa are the sole brokers. Six percent (6%) of the gross purchase price if there is a Buyer's agent in the transaction to be split equally.
Marketing Expenses:	Transwestern will be responsible for producing and distributing marketing materials and related travel expenses incurred in the marketing of the Property.



SECTION VIII

PROPERTY SELECTION CRITERIA



PROPERTY SELECTION CRITERIA

LOCATION OF THE LAND

The search should be focused on a specific geographic area within the Houston Metropolitan and surrounding counties.

LAND AREA

The following land criteria must be considered:

- Parking Requirements
- Required green space/landscaping requirements
- Density allowed by utility availability
- Restrictions
- Easements
- Flood Plain
- Fault Lines
- Wetlands
- Development required amenities
- Detention/Retention Requirements
- Traffic Access
- Drill Sites
- Riparian Rights
- Local Improvement Districts
- Limitations to Development
- Life Estates
- Any disputes with neighbors
- Who maintains fencing
- Construction Easements
- Zoning
- Dominant Tenements
- Any evidence of environmental issues - dumping, garbage, old tires, pesticides or herbicides
- Endangered species
- Encroachments
- Soil Tests
- Topographical Survey
- Vegetation
- Tree Survey
- Demographics
- Surface Water

SURROUNDING LAND USES:

Adjacent land uses should be reviewed and studied relative to compatibility of the investment property. Considerations should include the following:

- Overhead power lines
- Cemeteries
- Landfills
- Adult Entertainment Establishments
- Railroads, Freeways, Expressways
- Airport glide paths
- Parking decks and roof tops
- Sewer & Water plants
- Manufacturing plants
- Quality of surrounding development
- Livestock operations
- Timber Cutting
- Junk yards
- Industrial pollution
- Shooting ranges
- Rock Quarries
- Manufacturing plants
- Quality of surrounding development

CURRENT AND PAST USES OF THE SITE

The property should be reviewed for any past uses that might prohibit the use or greatly add to the cost of the acquisition (i.e. environmental assessment studies, flood plain and topography and soil studies). Do others have rights to use, remove minerals, cut timber in harvest crops.



PROPERTY SELECTION CRITERIA

CONTINUED

PROPERTY CONFIGURATION:

The shape of the site can influence the price of any future redevelopment of the site.

PRICE OF LAND:

The client should analyze price of the underlying land in the area of the investment property.

TRAFFIC PATTERNS

The following issues should be reviewed:

- Ingress and Egress from the site
- Size of entrances relative to traffic movement
- Speed of traffic
- Side of the Street
- Traffic Counts
- Curb and median cuts
- Distance from major highways and roads

AVAILABILITY OF UTILITIES:

The Purchaser must consider the cost to bring the following utilities to the site, if needed, to increase the marketability of the property:

- Gas
- Electricity
- Public Water
- If Water Well -
 - (a) Depth
 - (b) Quality of water in area
- Public Sewer
- If Septic System, is Perc Test required
- Telephone
- Cable TV
- Broadband Communication Lines

AVAILABILITY OF SUPPORT SERVICES:

Support services that positively affect a property are:

- Employment centers
- Residential neighborhood
- Freeway systems
- Retail Centers
- Education Systems
- Cultural Centers
- Hospitals and Other Medical facilities
- Fire and Police protection
- Railroads / Boat / Truck Shipping
- Recreational Facilities
- Hotels / Motels
- Access to Mass transit



SECTION IX

SAMPLE FLYERS

+/- 2.04 ACRES - BAMMEL N. HOUSTON

South of Kleinmeadow Drive - Key Map #371N



- 2.04 Acres, east of Bammel North Houston, just south of Kleinmeadow Dr.
- \$7.00 PSF or \$618,988 **REDUCED: \$5.50 psf or \$488,743**
- Frontages:
430' on Bammel North Houston
35' on Kleinmeadow
- HCAD#: 123-912-001-0030
- Flood Plain: Minimal on the Southeast boundary line
- MUD #180



FOR MORE INFORMATION:

A. David Schwarz III, SIOR
713.270.3371
david.schwarz@transwestern.net

Carlos P. Bujosa
713.272.1289
carlos.bujosa@transwestern.net

TRANSWESTERN
The Performance Advantage in Real Estate

The information provided herein was obtained from sources believed reliable, however Transwestern makes no guarantees, warranties or representations as to the completeness or accuracy thereof. The presentation of this property is submitted subject to errors, omissions, change of price or conditions, prior to sale or lease, or withdrawal without notice.

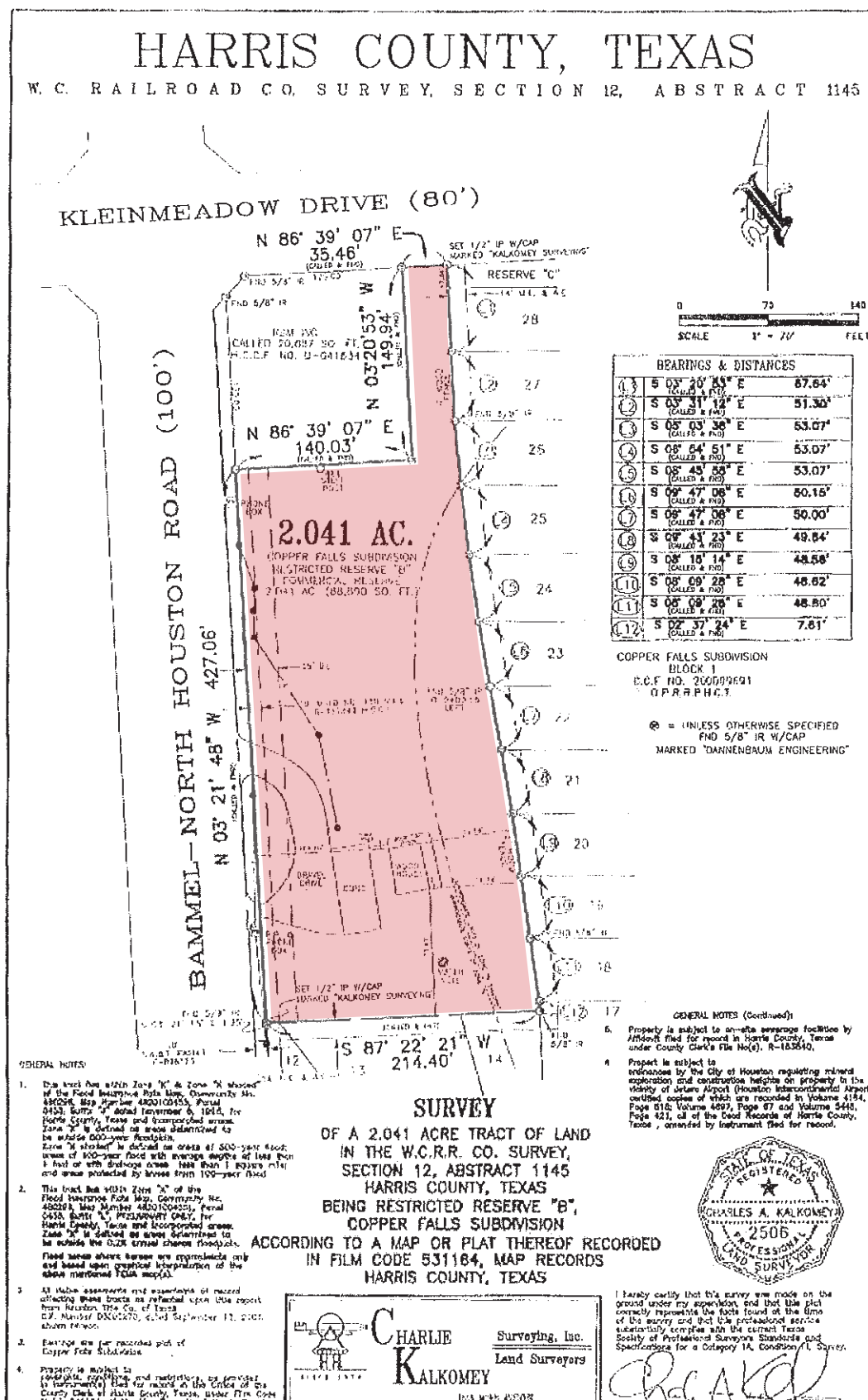
2.04 ACRES - Bammel N. Houston & Kleinmeadow Dr.



DEMOGRAPHICS (Source: Costar)

	1- MILE	3-MILE	5-MILE
Total Estimated Population	16,329	127,282	337,885
Total Estimated Households	4,754	40,012	114,810
Average Household Income	\$77,127	\$66,628	\$68,386

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SECTION X

SAMPLE LISTING AGREEMENT & DISCLOSURES

EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT

TRANSWESTERN PROPERTY COMPANY SW GP, L.L.C. d/b/a TRANSWESTERN ("Broker") and _____ ("Owner"), the legal owner of fee simple title to the Property being approximately _____ Acres and located on _____ and described below (the "Property"), hereby agree as follows:

1. Owner hereby grants to the Broker the sole and exclusive right and authority to sell the Property for a period of six (6) months from the effective date, automatically renewed for like periods of time until terminated by either party. This agreement may only be terminated within the last thirty (30) days of primary term, or within the last 30 days of any renewal term. Notwithstanding anything to the contrary herein, the term of this agreement shall not extend beyond two (2) years from the above mentioned effective date.
2. The Broker agrees to employ a concentrated effort to procure buyers for the Property at the asking price of \$ _____ or such price and terms as are acceptable to Owners. In this regard, Broker is authorized to (a) advertise the Property by means and methods as Broker determines. Owner agrees to cooperate with the Broker in its sale efforts.
3. In the event the Property is sold or exchanged during the term of this agreement, or during the period set forth in paragraph 6 below, whether such sale or exchange be made by the Broker, by Owner, or by any other person, Owner agrees and promises to pay the Broker a commission of five percent (5%) of the gross purchase price or consideration agreed to between Owner and buyer, which price or consideration includes all encumbrances. If the buyer retains the services of a co-broker, Owner agrees and promises to pay Broker six percent (6%) of the gross purchase price or consideration agreed to between Owner and buyer, which price or consideration includes all encumbrances.
4. Legal description of the Property: See Exhibit "A" attached hereto and made a part of this agreement.
5. Owner agrees to execute and deliver a Special Warranty Deed conveying the Property to the buyer on such terms as shall be set out in the sales contract between Owner and Buyer.
6. If, within ninety (90) days after the termination of this agreement, the Property should be sold or exchanged to any person with whom the Broker has negotiated for the sale or exchange of said Property, and the name of such person shall be on a list of all such persons delivered by the Broker to Owner within five (5) days after the termination of this agreement, then, in that event, Owner shall pay to Broker the commission specified in Paragraph 3 above.
7. **OFAC Representations, Warranties and Indemnification.**
 - a) Representations and Warranties. Owner and Broker each represents and warrants that (i) it is not, and none of its partners, members, managers, employees, officers, directors, representatives or agents is, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or under any other law, rule, order, or regulation that is enforced or administered by OFAC (such persons and entities each being a "Prohibited Person"); (ii) it is not acting directly or indirectly, for or on behalf of any Prohibited Person; (iii) it is not engaged in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any Prohibited Person; and (iv) it will not contract with or otherwise engage in any dealings or transactions or be otherwise associated with any Prohibited Person.

HOUSTON METRO

YEAR-END 2015

Uncertainty of Oil Prices Clouds 2016

Metro to end year with positive job growth

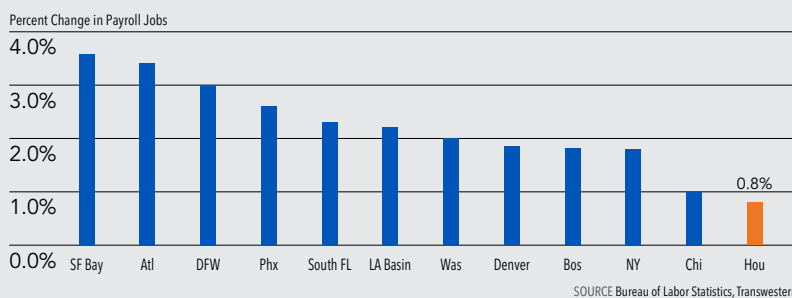
ECONOMY

Expectations continue to shift

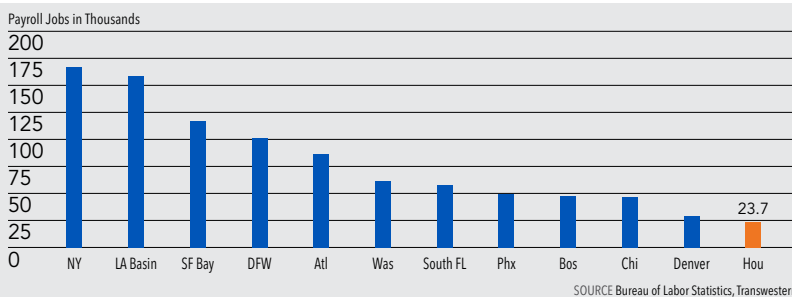
Houston's payroll employment grew by just 0.8% over the 12 months ending in November, less than half the national growth rate of 1.9%. The 12-month employment growth of 23,700 jobs through November ranks Houston second from last among large metro areas. Strong job growth in the healthcare and leisure/hospitality sectors has helped offset significant losses in the energy and manufacturing industries. In the fourth quarter, Houston exceeded three million total non-farm employees for the first time, boosted by strong job growth in the month of October. A positive turn in the final months of the year resulted in the addition of 13,800 net new jobs between January and November. This was great news for the metro as several critical employment drivers saw deep cuts in 2015. Another slow year is expected in 2016 as energy prices and rig counts have yet to stabilize, and further energy-related layoffs are impending. As the oil downturn continues to weaken the metro economy, Houston's diversification will become vital to sustaining economic growth in the near-term.

Jobs created in the Houston metro will total around 20,000 in 2015.

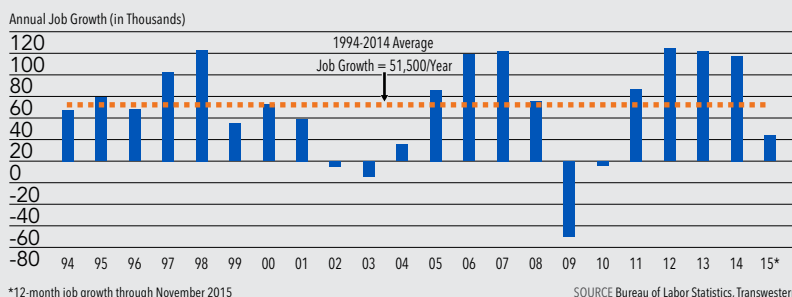
PAYROLL JOB CHANGE IN PERCENTAGE TERMS LARGE METRO AREAS | 12 MONTHS ENDING NOVEMBER 2015



PAYROLL JOB GROWTH LARGE METRO AREAS | 12 MONTHS ENDING NOVEMBER 2015



PAYROLL JOB GROWTH HOUSTON METRO AREA



HOUSTON METRO MARKET

YEAR-END 2015

UNEMPLOYMENT

The Houston area unemployment rate was 4.9% in November, up from 4.3% a year earlier. October marked the first month since the 2009 to 2010 recession that the 12-month unemployment rate rose. National unemployment was 5.0% in November, down from 5.8% the previous year.

Core industry employment:

ENERGY

5,500 jobs lost in the 12 months ending in November, a 4.9% decrease

CONSTRUCTION

4,000 jobs added in the 12 months ending in November, a 1.9% increase

MANUFACTURING

15,400 jobs lost in the 12 months ending in November, a 6.0% decrease

EDUCATION & HEALTH SERVICES

15,100 jobs added in the 12 months ending in November, a 4.2% increase

TRADE & TRANSPORTATION

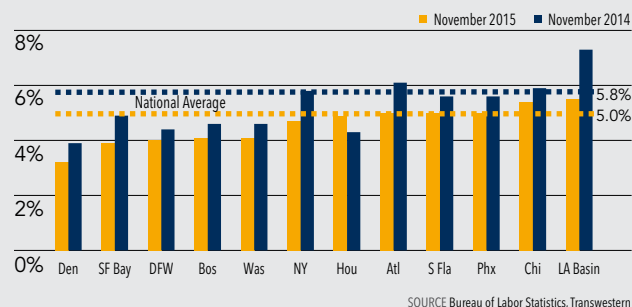
1,700 jobs added in the 12 months ending in November, a 0.3% increase

ENERGY

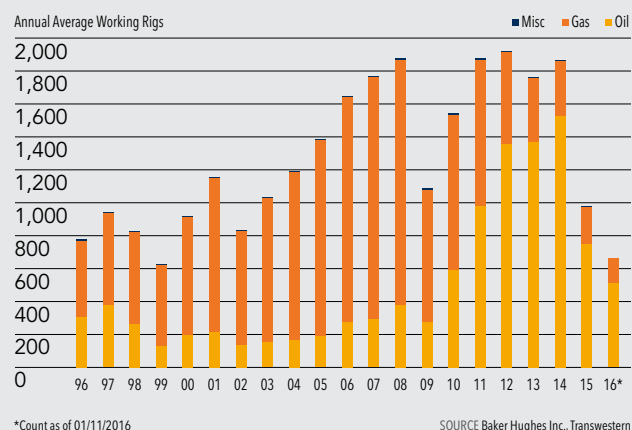
Energy sector employment fell by 5,500 jobs during the 12 months ending in November, a 4.9% decrease.

Energy companies continue to make workforce reductions as the oil downturn deepens and further spending cuts must be made. While the Bureau of Labor Statistics reports a loss of 7,600 jobs from January to November, the Greater Houston Partnership estimates the actual number to be closer to 10,000 with another 9,000 projected for 2016. The U.S. rotary rig count remains on a downward trajectory, falling over 63% in 2015. At the time of publication, the rig count was 637. A slowdown in China, sanctions lifting from Iran and a record level of crude inventories continue to impact the market. Oil prices remain low, dropping to \$29.35 per barrel for WTI and \$29.27 per barrel for Brent. Merger and acquisition (M&A) activity continued with more significant deals announced this quarter - Air Liquide is acquiring Airgas, and on the downstream side, DuPont is merging with Dow Chemical. The energy market outlook remains weak for 2016 with little forward visibility as to when recovery will begin.

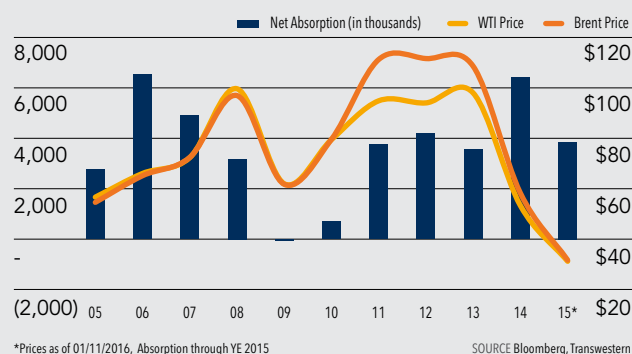
UNEMPLOYMENT RATES LARGE METRO AREAS | NOVEMBER 2015 VS. NOVEMBER 2014



U.S. ROTARY RIG COUNT



OIL PRICES AND OFFICE NET ABSORPTION TRENDS HOUSTON METRO



CONSTRUCTION

Construction sector employment grew by 4,000 jobs during the 12 months ending in November, a 1.9% increase.

Strong fourth quarter job growth in the specialty trade contractors sector moved year-to-date construction employment into the positive. Skilled labor shortages continue to be a problem across the metro as billions of dollars in construction projects remain underway. Healthcare, retail and petrochemical development is expected to remain strong in the period ahead, while construction activity in other sectors is fading. LyondellBasell recently announced plans to invest four billion dollars over the next five years to expand its presence along the Gulf Coast, to include building the world's largest propylene oxide and tertiary butyl alcohol plant in Channelview. A ground breaking date has yet to be announced, but completion is expected to occur in 2020. The project will create 2,500 construction jobs and approximately 100 permanent jobs upon delivery.

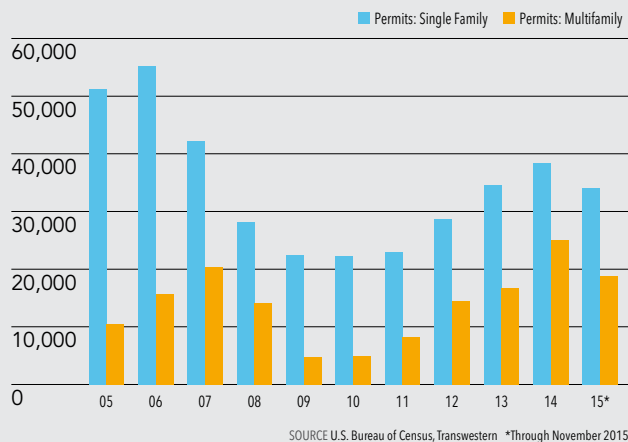
City of Houston building permits totaled \$7.6 billion over the first 11 months of the year, a 5.3% decrease.

MANUFACTURING

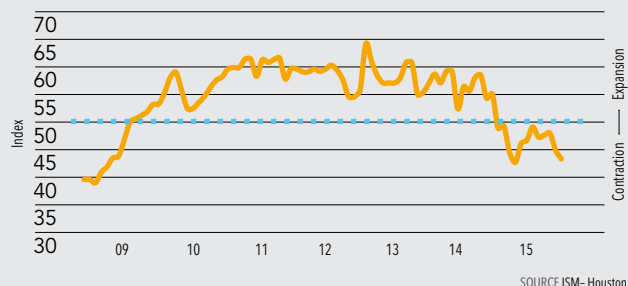
Manufacturing sector employment fell by 15,400 jobs over the 12 months ending in November, a loss of 6.0%.

As oil prices sink to their lowest levels since 2004, demand for oil field equipment and fabricated metals remains extremely weak. The sector continues to lose jobs, largely from the durable goods subset, and recovery does not appear to be on the horizon in the near-term. The Houston Purchasing Managers Index (PMI), a short-term leading indicator of production, dropped to 43.3 in December, down from 44.9 in November. This marks a full year in which the PMI has indicated a contraction in production. Healthcare is currently the only sector in the survey showing strength, while wholesale trade, durable goods manufacturing and oil and gas exploration show significant weakness according to ISM-Houston. Similar to the energy industry, manufacturing companies are working to reduce operating expenses and realize savings through consolidation. Houston-based Geospace Technologies Corp. is trimming 150 jobs across its local workforce as part of a plan cut costs by seven million dollars annually.

BUILDING PERMITS ISSUED HOUSTON METRO



HOUSTON MANUFACTURING OUTLOOK PURCHASING MANAGERS INDEX



HOUSTON METRO MARKET

YEAR-END 2015

EDUCATION AND HEALTH SERVICES

Education and Health Services sector employment increased by 15,100 jobs over the 12 months ending in November, a gain of 4.2%.

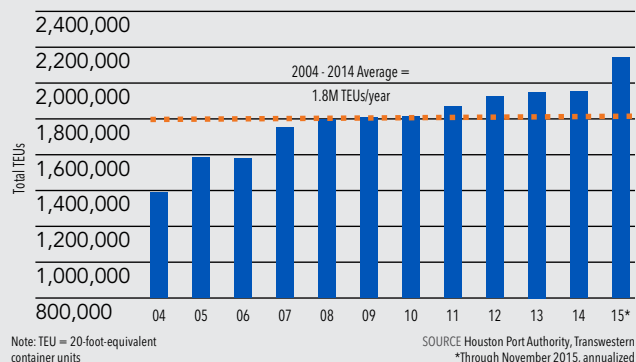
The University of Houston (UH) and the Texas Collegiate Regional Center have finalized an agreement to construct an innovation center at the UH Energy Research Park. The center will consist of two 75,000 SF office buildings which will break ground in the next 12 to 18 months. The project is expected to appeal to tenants such as foreign companies looking to expand their businesses while having access to UH's facilities. In the health services sector, Memorial Hermann is purchasing 13 acres of land in League City to build a 47,000 SF convenient care center. The development will be the largest of nine centers for the hospital system in the Houston area. Memorial Hermann currently has over one billion dollars in construction underway across the metro, and they are not alone. Houston area hospitals continue expanding at a rapid rate to accommodate the metro's booming population growth in recent years.

TRADE AND TRANSPORTATION

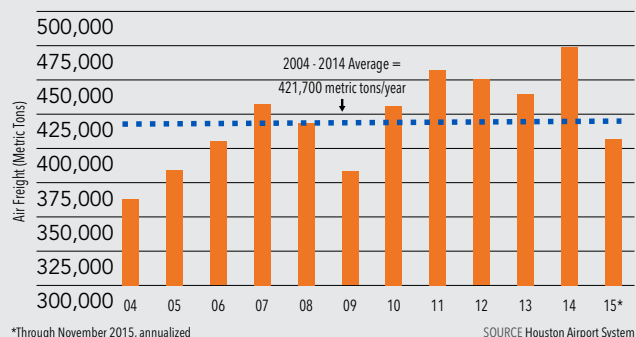
Trade/Transportation employment expanded by 1,700 jobs during the 12 months ending in November, a 0.3% increase.

The Texas Department of Transportation has \$1.27 billion in roadwork scheduled to begin across the metro in 2016. Major projects include further construction on U.S. 290 and Texas 249, pushing expansion of these roadways out to almost Waller County. Also in transportation news, Air New Zealand began operating a new nonstop service between Houston and Auckland out of Bush Intercontinental Airport (IAH) in December. Auckland became IAH's 70th international destination with flights running five days each week. With this addition, Houston is now the only North American city with direct flights to all six inhabited continents. In the trade sector, the Port of Houston set a record for container traffic in 2015 with more than two million containers moving through the Port this year. Business is expected to continue growing as downstream projects along the Gulf Coast bring more petrochemical products to the Port for export. The Port of Houston continues to be a source of economic strength for the metro, reaching a year-to-date operating revenue of \$268 million in November, up 12% over the prior year.

HOUSTON PORT AUTHORITY CONTAINER TRAFFIC



HOUSTON AIRPORT SYSTEM AIR FREIGHT



Core Industries

HOUSTON METRO AREA | 2014 GROSS DOMESTIC PRODUCT

CORE INDUSTRIES	\$ (BIL)	% GDP
Energy	\$101	19%
Trade/Transportation/Utilities	\$95*	18%*
Manufacturing	\$80	15%
Professional/Business Services	\$64	12%
Financial Activities	\$63	12%
Government	\$32	6%
Construction	\$28	5%
Medical/Educational	\$23	4%
Total Core Industries:	\$486	93%
Other	\$39	7%
Total GDP:	\$525	100%

*Numbers are estimates, actual data not available
SOURCE: Bureau of Economic Analysis

HOUSING

Homes prices fall for first time in nearly four years

A struggling job market, coupled with continued low housing inventory, led single-family home sales to fall for the second consecutive month in November. The Houston Association of Realtors (HAR) reported 4,595 single-family home sales in November, down from 5,135 sales last year. Average sales price also dropped, falling for the first time since February 2012 to \$262,064, down 3.5% year-over-year. Inventory continues to grow steadily, reaching 3.4 months of supply in November, as compared to 2.7 months a year ago. Houston's housing supply still remains well below the six-month equilibrium mark and the national average of 5.1 months. After a record-breaking year in 2014, sales volume began to cool in 2015 amid weaker economic conditions. Even so, 2015 achieved the second-highest levels of all time according to HAR.

ECONOMIC OUTLOOK

Slow but steady growth ahead

As stated in our mid-year report, Houston's greatest employment gains always occur in the fall, even in a soft economy. While growth from September to November propelled Houston into positive growth for 2015, next year looks to be somewhat of a question mark. Energy prices remain volatile, and along with the rig count, do not yet appear to have found the bottom. 2016 is expected to be a slow year overall with little forward visibility as to when oil prices will return to a level where exploration and production can resume. While further reductions in the energy and manufacturing sectors are anticipated, they are likely to be offset by employment gains in healthcare, construction, government and retail. Also, the strength of the Port, coupled with petrochemical investment on the east side of the metro, should help buoy the economy. Looking ahead, Houston will continue to experience challenging economic growth while a major driver of the economy faces uncertainty. There will likely be opportunities in the industry in the period ahead as the commercial real estate market stays active but moves at a slower pace.

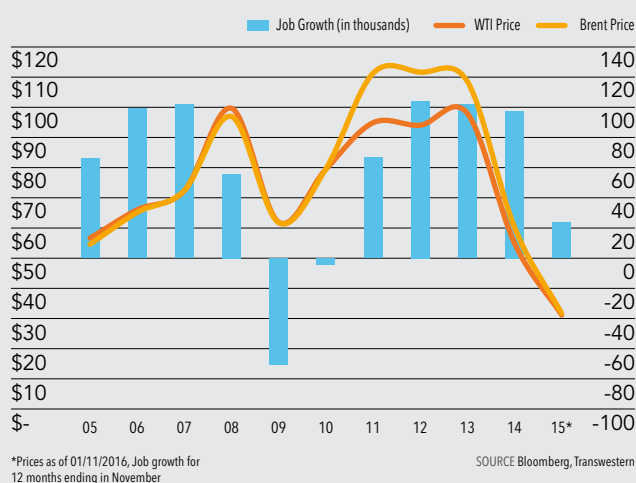
We expect payroll job growth of approximately 21,500 jobs in 2016 and 50,000 jobs in 2017. These numbers are based on projections from both the Greater Houston Partnership and the University of Houston Institute for Regional Forecasting. However, job growth will remain a moving target, and revisions to expectations will continue to occur.

Average Home Prices

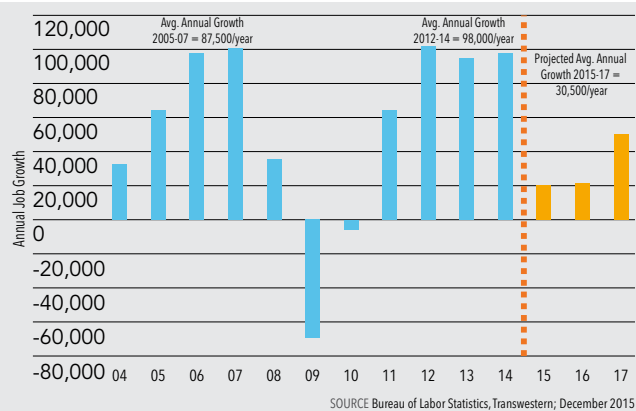
NOVEMBER 2015

	HOUSTON MSA	TEXAS	U.S.
Average Price	\$262,064	\$245,900	\$263,900
Median Price	\$200,000	\$193,500	\$220,300
Mos. Inventory	3.4	3.4	5.1

OIL PRICES AND JOB GROWTH TRENDS HOUSTON METRO AREA



JOB FORECAST HOUSTON METRO AREA



HOUSTON METRO MARKET

YEAR-END 2015

OFFICE

Market fundamentals weaken further

The Houston office market continues to experience fallout from the oil downturn with rising direct and sublet inventories and declining net absorption. Leasing has slowed with activity driven largely by tenant expirations and consolidations. Sublease inventories remain on the rise with additional blocks from energy companies expected to hit the market in the first half of 2016. Asking rents flattened out at year-end with greater concessions being offered to entice tenants. Houston is now a tenant-favorable market, though leverage varies by numerous factors including submarket and length of term.

Notable Q4 leases:

Apache - 524,000 SF lease extension through 12/2019, Post Oak Central, Galleria

Bracewell & Giuliani - 189,061 SF renewal, Pennzoil Place, CBD

St. Luke's Episcopal Health System - 139,424 SF renewal, 3100 Main, Midtown

BASF - 106,555 SF new lease, Energy Tower IV, Katy Freeway West

Kirkland & Ellis - 62,000 SF prelease, 609 Main at Texas, CBD

NET ABSORPTION

Deliveries still driving positive absorption

Net absorption for all classes of space totaled 1.5 million SF through fourth quarter, for a 2015 total of almost 3.9 million SF, well above the historical average of 2.6 million SF per year. The positive absorption in 2015 came entirely from Class A space and is largely attributed to preleased deliveries. Class A recorded 1.5 million SF of positive absorption for the quarter and 5.5 million SF for the year. Class B was relatively flat at fourth quarter with negative 37,000 SF for a year-end total of negative 1.5 million SF.

The 100% preleased Energy Center Four was a major contributor to positive absorption this quarter, though Conoco does not plan to take physical occupancy at this time. Absent the volume of new deliveries, overall and Class A net absorption would have been relatively flat. Major move-outs this quarter included Air Liquide in the Galleria and ExxonMobil in Greenspoint/North Belt West.

VACANCY

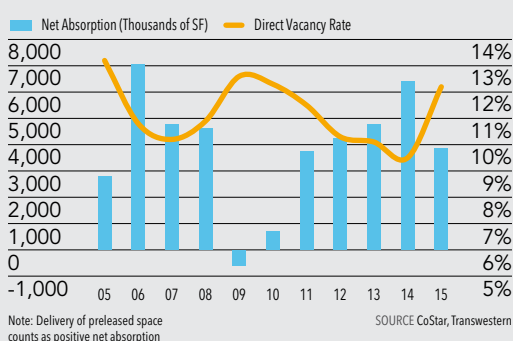
Vacancy rises with slowing demand

The overall office vacancy rate (including sublet) was 13.8% at year-end, up from 13.0% at third quarter and 10.2% in 2014. Direct vacancy was 12.2%, up from 11.6% last quarter and 9.5% a year ago. The spread between direct and overall vacancy continues to widen with growth of sublease space on the market. Total available sublease space grew to 7.7 million SF, from 4.6 million SF at year-end 2014. Sublease space vacant and available rose to 3.9 million SF, from 1.6 million SF in 2014.

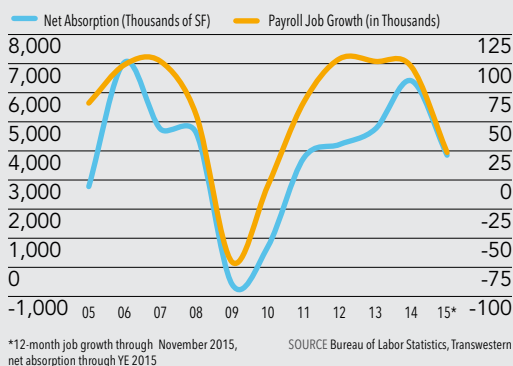
Submarkets with highest net absorption:

SUBMARKET	Q4 2015
Katy Freeway/Energy Corridor	1,169,000 SF
The Woodlands	476,000 SF
Katy	267,000 SF

NET ABSORPTION AND VACANCY RATE TRENDS HOUSTON METRO AREA



NET ABSORPTION AND EMPLOYMENT TRENDS HOUSTON METRO AREA



Submarkets with most total available sublease space:

SUBMARKET	Q4 2015
Katy Freeway/Energy Corridor	2,297,649 SF
CBD	1,518,321 SF
Westchase	1,066,132 SF

Class A overall vacancy was 13.0%, up from 8.4% a year ago, and Class A direct was 11.1%, up from 7.5% over the same period. Class B overall vacancy rose to 14.9%, from 12.0% in 2014, and Class B direct was 13.9%, up from 11.6% over the same period. Office vacancy rates will continue trending upward in the period ahead as buildings under construction deliver and weaker economic conditions affect demand.

SUPPLY AND DEVELOPMENT

Pipeline cools in 2015

There was 7.2 million SF of office space under construction at year-end, as compared to 10.1 million SF at third quarter and 16.6 million SF a year ago. This space was 61% preleased at fourth quarter, unchanged from both last quarter and year-end 2014. The majority of the construction pipeline, 6.7 million SF, is currently scheduled to deliver in 2016. Though most developers are holding off given the current economic conditions, a 140,000 SF office building named The Post Oak did break ground this quarter in the Galleria submarket.

The Downtown and Westchase submarkets account for the largest amount of development activity, about 3.0 million SF total. The biggest projects under construction are Phillips 66's campus in Westchase at 1.1 million SF, 609 Main at Texas in the CBD at 1.0 million SF and the FMC Technologies campus in the Northeast, also at 1.0 million SF.

Houston continues to experience a high level of deliveries each quarter as it comes down from the 2014 development peak. In total, 13 office buildings completed construction in the fourth quarter for 3.3 million SF added to the market at 60% preleased. For all of 2015, 11.1 million SF of new office supply was added to the market at 70% preleased. The largest projects delivered include Energy Center Four at 599,978 SF and Air Liquide Center South at 452,370 SF, both of which are in the Energy Corridor submarket.

RENTAL RATES

Asking rents reach tipping point

Asking rental rates for all classes of office space have increased 1.9% from year-end 2014 to \$28.20. Class A rents were up 2.4% to \$35.31 per SF gross, and Class B rents rose 1.9% to \$21.28 per SF gross from the close of last year. Asking rents were largely unchanged from third quarter as rate growth tapered off as expected. Rent growth in 2015 was notably lower than in 2014 as vacancy rose sharply giving tenants in the market greater options for space. As the office sector has shifted to a tenant market, rent concessions are much more prevalent, with free rent and tenant improvement packages dramatically increasing. Asking rents should begin declining in the period ahead as economic fundamentals remain weak.

WHY OUR METHODOLOGY IS THE BEST INDICATOR OF CURRENT MARKET CONDITIONS

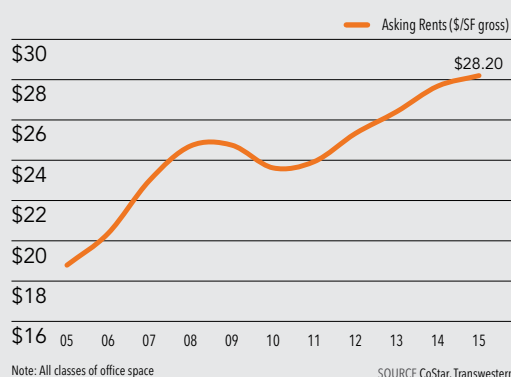
We include owner occupied and single-tenant buildings in our inventory, vacancy and absorption statistics to capture more market activity than many of our competitors. This allows us to better correlate changes in the market with changes in employment. As single-tenant space does compete with multi-tenant space, we believe it is critical to understand all components of the market. The inclusion of single-tenant and owner-occupied space tends to yield lower vacancy rates and higher absorption totals than some of our competitors' results, but our coverage of the market is more comprehensive.

Office space under construction

Houston Metro | Q4 2015

SUBMARKET	SF	% PRE-LEASED
Downtown	1,463,258	32%
Greenway Plaza	458,275	58%
Katy	124,017	18%
Katy Frwy/Energy Corridor	914,037	21%
Northeast Near	1,000,000	100%
West Loop	1,285,000	71%
Westchase	1,545,000	100%
The Woodlands	442,403	0%
Total	7,231,990	61%

AVERAGE OFFICE RENTS HOUSTON METRO AREA



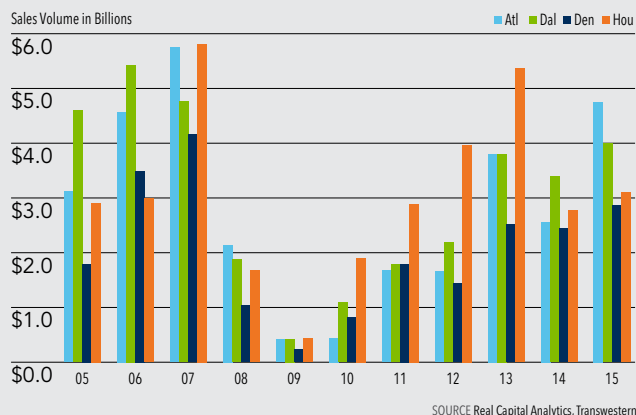
Multi-tenant market vs Transwestern comprehensive market coverage

	MULTI-TENANT	ENTIRE MARKET
Inventory	190.1 MSF	242.4 MSF
Overall Vacancy	16.4%	13.8%
Q4 Net Absorption	1.4 MSF	1.5 MSF

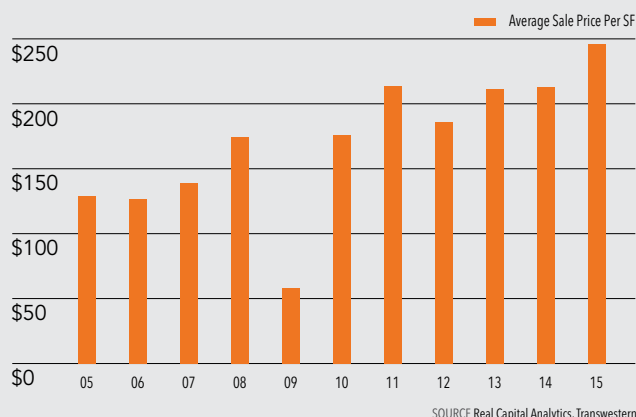
HOUSTON METRO MARKET

YEAR-END 2015

COMPARATIVE OFFICE INVESTMENT SALES VOLUME SELECT METRO AREAS



AVERAGE OFFICE SALE PRICE HOUSTON METRO AREA



INVESTMENT MARKET

2015 volume outpaces 2014

The metro recorded \$808.9 million in office sales transactions during the fourth quarter, for a year-end total of \$3.1 billion. These figures represent assets for which pricing information could be obtained. Pricing averaged \$341 per SF this quarter, as compared to \$112 per SF at third quarter and \$200 per SF a year ago. The significant pricing disparity this quarter is due to the sale of two large Class AA assets skewing pricing statistics upward.

Even though sales of large assets took a plunge in 2015, overall transaction activity remained strong through year-end. With oil prices dropping to their lowest levels since 2004, some owners are hesitant to bring properties to market amid uncertainty over pricing expectations. The uptick in single-tenant deals continued through year-end with ConocoPhillips purchasing Energy Center Three. The building is one of two at its new campus in the Energy Corridor.

With the sustained downturn in oil markets, Houston has fallen from third to eleventh on the Association of Foreign Investors in Real Estate annual survey of where foreign capital sources expect to make U.S. real estate investments. While the current down cycle will likely decrease the number of listings brought to market in 2016, the long view is that Houston is still one of the nation's strongest economies, and real estate fundamentals project favorably for continued investment. The general sentiment among investors active in Houston is that oil prices will eventually settle in a range sustainable for long-term growth. However, there is still uncertainty due severity of the oil price decline, and investors are using more conservative underwriting projections across all product types.

Notable Q4 Transactions

PROPERTY	SUBMARKET	SALE PRICE	CAP RATE	SELLER	BUYER
Energy Center Three	Katy Freeway West	\$275.0 million (\$503/SF)	5.25%	Trammell Crow & Principal Real Estate joint venture	ConocoPhillips
2200 Post Oak	Galleria	\$172.0 million (\$527/SF)	4.8%	TRC Capital Partners, ONCOR, L&B Realty Advisors joint venture	Corporación Masaveu
16055 Space Center Blvd	NASA/Clear Lake	\$21.5 million (\$148/SF)	8.9%	Lakestar Properties	Parsons Corporation

SOURCE Real Capital Analytics, HFF, Transwestern

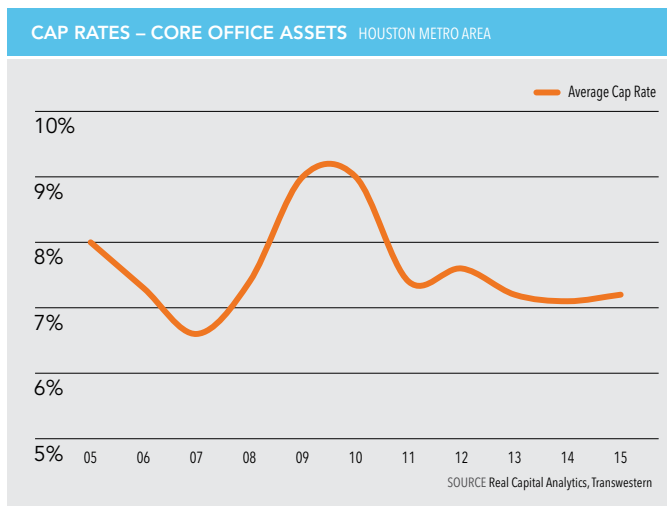
The average cap rate at fourth quarter was 8.6%, up from a revised third quarter average of 7.5%. There is a wide range of cap rates depending on the locations and characteristics of properties traded. Most notably, Class A properties generally command lower yields than Class B.

OFFICE MARKET OUTLOOK

Sluggish demand outlook for 2016

Activity remains slow as many tenants exercise a wait and see approach towards leasing decisions. This has resulted in several short-term extensions and renewals by tenants that traditionally would have considered new space options. As sublease inventories remain on the rise, quality, long-term blocks will increasingly compete with direct space for deals in the market. Looking ahead, office market fundamentals will continue to be affected by the protracted downturn of oil prices, further M&A activity and downsizing/right-sizing by energy companies. Even though positive job growth is projected for 2016 and 2017, most of the sectors expected to add jobs do not typically drive office demand. If the current conditions persist, 2016 and likely 2017 will be challenging years for the Houston office market.

While the metro's current development pipeline is 61% preleased, a slower economy is likely to put a damper on further leasing activity in this space. Additionally, many of these tenants will leave behind large vacancies when they move to occupy new spaces. With tepid demand expected through 2016, we anticipate the overall vacancy rate for all classes of space to increase over the next two years, climbing to the mid-17% range. For the same reasons, Houston's strong net absorption should start to taper off, and asking rents will begin trending downward. The office sector will continue to experience softness and stay in the tenant's favor as economic fundamentals remain weak.



HOUSTON METRO MARKET

YEAR-END 2015

Houston Office Market Indicators - All Space

SUBMARKET	TOTAL BLDGS	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY 2014	DIRECT VACANCY Q4 2015	VACANCY WITH SUBLET Q4 2015	UNDER CONSTRUCTION	NET ABSORPTION Q4 2015	NET ABSORPTION 2015
Central Business District	86	47,512,974	5,354,712	7.0%	11.3%	13.3%	1,463,258	43,000	(1,933,000)
Midtown	33	5,759,744	863,962	9.1%	15.0%	15.2%	-	(6,000)	80,000
Downtown	119	53,272,718	6,218,674	7.2%	11.7%	13.5%	1,463,258	37,000	(1,853,000)
FM 1960 / I-45 North	15	1,371,988	194,822	9.9%	14.2%	14.4%	-	(30,000)	(58,000)
FM 1960 / Champions	22	1,850,305	444,073	25.6%	24.0%	24.0%	-	(7,000)	30,000
FM 1960 / Highway 249*	40	5,305,239	625,488	13.6%	11.8%	13.7%	-	(15,000)	476,000
FM 1960	77	8,527,532	1,264,383	15.9%	14.8%	16.0%	-	(52,000)	448,000
North Belt West / Greenspoint	75	10,105,399	3,087,199	19.8%	30.6%	34.6%	-	(228,000)	(1,030,000)
Greenspoint / IAH	22	3,076,008	495,237	10.3%	16.1%	16.7%	-	(3,000)	(179,000)
Greenspoint / North Belt	97	13,181,407	3,582,437	17.6%	27.2%	30.4%	-	(231,000)	(1,209,000)
Greenway Plaza	49	10,816,013	1,222,209	7.4%	11.3%	11.5%	458,275	125,000	(51,000)
Gulf Freeway/Pasadena	34	2,597,502	363,650	8.9%	14.0%	14.0%	-	5,000	65,000
Katy*	43	3,259,094	518,196	4.5%	15.9%	16.1%	124,017	267,000	461,000
Katy Freeway East	63	9,604,261	873,988	6.2%	9.1%	10.0%	-	489,000	822,000
Katy Freeway West*	142	26,506,699	2,995,257	6.7%	11.3%	14.3%	914,037	680,000	1,750,000
Katy Frwy / Energy Corridor	205	36,110,960	3,869,245	6.6%	10.7%	13.2%	914,037	1,169,000	2,572,000
Kingwood / Humble	8	789,674	73,440	7.3%	9.3%	9.3%	-	-	(16,000)
NASA / Clear Lake	63	7,051,599	944,914	14.2%	13.4%	13.8%	-	-	-
Northeast	15	1,155,562	206,846	15.9%	17.9%	17.9%	1,000,000	(16,000)	(23,000)
North Loop West	29	4,133,495	574,556	16.9%	13.9%	15.1%	-	14,000	125,000
Northwest Near	13	1,319,023	10,552	1.7%	0.8%	1.0%	-	4,000	12,000
Northwest Far	31	3,430,620	817,174	18.9%	23.8%	24.1%	-	-	(180,000)
Northwest	73	8,883,138	1,402,282	15.4%	15.8%	16.5%	-	18,000	(43,000)
South Main / Medical Center	49	10,469,072	963,155	8.7%	9.2%	9.2%	-	21,000	(105,000)
Southwest / Hillcroft	35	4,269,911	735,706	18.0%	17.2%	17.5%	-	(6,000)	32,000
Southwest Beltway 8	43	5,620,512	944,246	19.9%	16.8%	16.8%	-	6,000	174,000
E Fort Bend Co / Sugar Land	45	6,376,248	449,525	11.3%	7.1%	7.7%	-	16,000	389,000
Southwest Fwy / Sugar Land	123	16,266,671	2,129,477	16.1%	13.1%	13.4%	-	16,000	595,000
West Belt	37	4,902,573	808,925	1.9%	16.5%	17.6%	-	(45,000)	690,000
Bellaire	29	4,374,993	280,000	5.8%	6.4%	6.9%	-	(9,000)	(27,000)
Post Oak Park	29	4,294,059	717,108	17.2%	16.7%	18.2%	380,000	17,000	78,000
Galleria	55	15,804,024	1,354,405	6.1%	8.6%	10.0%	905,000	(269,000)	(391,000)
Riverway	16	2,868,495	321,271	8.8%	11.2%	11.3%	-	(14,000)	(68,000)
Richmond / Fountainview	11	819,689	187,709	27.3%	22.9%	22.9%	-	7,000	36,000
San Felipe / Voss	33	5,041,885	484,021	11.1%	9.6%	13.1%	-	42,000	76,000
West Loop	173	33,203,145	3,344,513	9.0%	10.1%	11.6%	1,285,000	(226,000)	(296,000)
Westchase	87	15,922,349	1,468,041	9.8%	9.2%	12.5%	1,545,000	(97,000)	76,000
The Woodlands	90	15,048,455	1,203,876	4.6%	8.0%	8.7%	442,403	476,000	2,470,000
Conroe	13	903,345	79,494	16.8%	8.8%	8.8%	-	10,000	73,000
TOTAL - Houston	1,355	242,360,809	29,663,756	9.5%	12.2%	13.8%	7,231,990	1,477,000	3,854,000

SOURCE Inventory and vacancy from analysis of CoStar data, net absorption computed by Transwestern

NOTE Includes buildings 50,000 SF RBA and greater; does not include buildings under construction or owned by the government

* Inventory and number of buildings amended per changes in CoStar

Houston Office Market Indicators - Class A

SUBMARKET	TOTAL BLDGS	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q4 2015	VACANCY WITH SUBLET Q4 2015	UNDER CONSTRUCTION	NET ABSORPTION Q4 2015	NET ABSORPTION 2015
Central Business District	33	31,444,591	2,556,445	8.1%	10.4%	1,463,258	(9,000)	(670,000)
Midtown	7	2,494,696	536,360	21.5%	21.8%	-	25,000	111,000
Downtown	40	33,939,287	3,092,805	9.1%	11.2%	1,463,258	16,000	(559,000)
FM 1960 / I-45 North*	2	206,705	35,140	17.0%	17.0%	-	-	-
FM 1960 / Champions	1	150,000	-	0.0%	0.0%	-	-	-
FM 1960 / Highway 249*	17	3,717,667	446,120	12.0%	12.9%	-	-	506,000
FM 1960	20	4,074,372	481,260	11.8%	12.6%	-	-	506,000
North Belt West / Greenspoint	17	4,343,919	1,533,403	35.3%	40.8%	-	(22,000)	(616,000)
Greenspoint / IAH	7	1,093,667	299,665	27.4%	29.0%	-	5,000	(136,000)
Greenspoint / North Belt	24	5,437,586	1,833,068	33.7%	38.4%	-	(17,000)	(752,000)
Greenway Plaza	16	6,590,406	827,096	12.6%	12.7%	458,275	129,000	(112,000)
Gulf Freeway/Pasadena	-	-	-	0.0%	0.0%	-	-	-
Katy*	20	1,457,419	413,907	28.4%	26.8%	124,017	35,000	235,000
Katy Freeway East	22	5,420,041	552,844	10.2%	11.6%	-	482,000	719,000
Katy Freeway West	72	18,070,454	1,664,289	9.2%	12.3%	914,037	700,000	2,291,000
Katy Frwy / Energy Corridor	94	23,490,495	2,217,133	9.4%	12.1%	914,037	1,182,000	3,010,000
Kingwood / Humble*	2	140,977	30,028	21.3%	21.3%	-	-	(6,000)
NASA / Clear Lake	16	2,182,855	54,571	2.5%	4.0%	-	2,000	6,000
Northeast	-	-	-	0.0%	0.0%	1,000,000	-	-
North Loop West	6	1,252,947	177,918	14.2%	16.9%	-	10,000	124,000
Northwest Near	1	237,384	-	0.0%	0.0%	-	-	-
Northwest Far	16	801,764	262,979	32.8%	33.4%	-	(1,000)	(82,000)
Northwest	23	2,292,095	440,897	19.2%	20.9%	-	9,000	42,000
South Main / Medical Center	16	4,618,943	209,700	4.5%	4.5%	-	9,000	63,000
Southwest / Hillcroft	6	1,485,352	233,200	15.7%	16.5%	-	(16,000)	(43,000)
Southwest Beltway 8	3	573,500	79,143	13.8%	13.8%	-	1,000	8,000
East Ft Bend Co. / Sugar Land	21	4,122,722	305,081	7.4%	7.8%	-	16,000	132,000
Southwest Fwy / Sugar Land	30	6,181,574	617,425	10.0%	10.4%	-	1,000	97,000
West Belt*	23	4,066,013	701,387	17.3%	17.8%	-	(3,000)	759,000
Bellaire	7	1,203,314	81,825	6.8%	8.7%	-	5,000	-
Post Oak Park	8	2,213,527	486,976	22.0%	24.6%	380,000	19,000	(45,000)
Galleria	30	11,982,940	1,071,275	8.9%	10.3%	905,000	(268,000)	(352,000)
Riverway	5	1,885,813	188,581	10.0%	10.0%	-	(34,000)	(57,000)
Richmond / Fountainview	-	-	-	0.0%	0.0%	-	-	-
San Felipe / Voss	3	1,714,929	246,950	14.4%	14.9%	-	9,000	38,000
West Loop	53	19,000,523	2,075,607	10.9%	12.3%	1,285,000	(269,000)	(416,000)
Westchase	29	8,059,638	789,845	9.8%	15.9%	1,545,000	(93,000)	(16,000)
The Woodlands	37	10,276,561	818,014	8.0%	8.5%	442,403	499,000	2,671,000
Conroe	2	128,832	10,951	8.5%	8.5%	-	-	-
TOTAL - Houston	445	131,937,576	14,613,694	11.1%	13.0%	7,231,990	1,500,000	5,528,000

SOURCE Inventory and vacancy from analysis of CoStar data, net absorption computed by Transwestern

NOTE Includes buildings 50,000 SF RBA and greater; does not include buildings under construction or owned by the government

* Inventory and number of buildings adjusted per changes in CoStar

HOUSTON METRO MARKET

YEAR-END 2015

Houston Office Market Indicators - Class B

SUBMARKET	TOTAL BLDGS	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q4 2015	VACANCY WITH SUBLET Q4 2015	UNDER CONSTRUCTION	NET ABSORPTION Q4 2015	NET ABSORPTION 2015
Central Business District	38	14,511,526	2,369,732	16.3%	17.8%	-	49,000	(1,311,000)
Midtown	19	3,177,347	171,577	5.4%	5.5%	-	(32,000)	(26,000)
Downtown	57	17,688,873	2,541,309	14.4%	15.6%	-	17,000	(1,337,000)
FM 1960 / I-45 North	12	1,016,244	188,005	18.5%	18.8%	-	(29,000)	(51,000)
FM 1960 / Champions	20	1,632,335	442,363	27.1%	27.1%	-	(7,000)	30,000
FM 1960 / Highway 249	20	1,444,701	138,691	9.6%	14.1%	-	(12,000)	4,000
FM 1960	52	4,093,280	769,059	18.8%	20.5%	-	(48,000)	(17,000)
North Belt West / Greenspoint	45	4,664,503	1,380,693	29.6%	33.0%	-	(207,000)	(466,000)
Greenspoint / IAH	14	1,930,016	165,981	8.6%	8.6%	-	(6,000)	(35,000)
Greenspoint / North Belt	59	6,594,519	1,546,674	23.5%	25.9%	-	(213,000)	(501,000)
Greenway Plaza	27	3,764,733	201,037	5.3%	5.6%	-	1,000	17,000
Gulf Freeway / Pasadena	28	2,146,468	328,410	15.3%	15.3%	-	(4,000)	166,000
Katy*	20	1,611,171	24,168	1.5%	1.8%	-	235,000	239,000
Katy Freeway East	29	3,064,396	251,280	8.2%	8.9%	-	6,000	147,000
Katy Freeway West	73	8,194,731	1,321,810	16.1%	18.9%	-	(20,000)	(486,000)
Katy Fwy / Energy Corridor	102	11,259,127	1,573,091	14.0%	16.2%	-	(14,000)	(339,000)
Kingwood / Humble*	7	613,070	38,010	6.2%	6.2%	-	-	(9,000)
NASA / Clear Lake	43	4,511,246	960,895	21.3%	21.3%	-	-	(14,000)
Northeast	10	742,591	125,498	16.9%	16.9%	-	(15,000)	(21,000)
North Loop West	20	2,536,907	368,613	14.5%	15.1%	-	10,000	19,000
Northwest Near	8	802,294	9,628	1.2%	1.4%	-	3,000	-
Northwest Far	24	2,381,429	555,826	23.3%	23.4%	-	1,000	(90,000)
Northwest	52	5,720,630	934,066	16.3%	16.6%	-	14,000	(71,000)
South Main / Medical Center	18	3,991,862	694,983	17.4%	17.5%	-	-	(109,000)
Southwest / Hillcroft	16	1,598,169	399,542	25.0%	25.0%	-	(2,000)	36,000
Southwest Beltway 8	32	4,413,473	798,839	18.1%	18.1%	-	11,000	194,000
East Ft Bend Co. / Sugar Land	22	2,039,526	134,609	6.6%	7.6%	-	(1,000)	264,000
Southwest Fwy / Sugar Land	70	8,051,168	1,332,990	16.6%	16.8%	-	8,000	494,000
West Belt	14	1,261,839	196,847	15.6%	18.1%	-	(40,000)	(53,000)
Bellaire	18	2,781,223	141,842	5.1%	5.2%	-	(8,000)	(25,000)
Post Oak Park	18	1,891,123	208,024	11.0%	11.5%	-	(5,000)	142,000
Galleria	22	3,307,175	244,731	7.4%	8.8%	-	-	(59,000)
Riverway	9	870,126	132,259	15.2%	15.4%	-	20,000	(13,000)
Richmond / Fountainview	7	559,977	145,594	26.0%	26.0%	-	4,000	32,000
San Felipe / Voss	30	3,326,956	281,460	8.5%	8.5%	-	27,000	(4,000)
West Loop	104	12,736,580	1,153,911	9.1%	9.5%	-	38,000	73,000
Westchase	53	7,301,615	656,415	9.0%	9.2%	-	(5,000)	74,000
The Woodlands	51	4,566,209	407,306	8.9%	10.3%	-	(21,000)	(188,000)
Conroe	9	619,727	68,170	11.0%	11.0%	-	10,000	80,000
TOTAL - Houston	776	97,274,708	13,552,837	13.9%	14.9%	-	(37,000)	(1,516,000)

SOURCE Inventory and vacancy from analysis of CoStar data, net absorption computed by Transwestern

NOTE Includes buildings 50,000 SF RBA and greater; does not include buildings under construction or owned by the government

* Inventory and number of buildings amended per changes in CoStar

Houston Office Market Indicators - Asking Rental Rates

SUBMARKET	2012 CLASS A	2012 CLASS B	2013 CLASS A	2013 CLASS B	2014 CLASS A	2014 CLASS B	2015 CLASS A	2015 CLASS B	% CHANGE 12/14-12/15 CLASS A	% CHANGE 12/14-12/15 CLASS B
Central Business District	\$38.18	\$25.06	\$39.32	\$25.99	\$42.71	\$28.13	\$43.87	\$28.66	2.7%	1.9%
Midtown	\$30.12	\$24.07	\$30.32	\$26.03	\$34.36	\$27.17	\$34.73	\$27.39	1.1%	0.8%
Downtown	\$37.09	\$24.96	\$38.10	\$25.99	\$41.93	\$28.03	\$42.28	\$28.57	2.5%	1.8%
FM 1960 / I-45 North	-	\$16.71	-	\$18.06	-	\$18.20	\$25.00	\$17.65	-	-3.0%
FM 1960 / Champions	-	\$12.79	-	\$13.19	-	\$13.55	-	\$13.80	-	1.8%
FM 1960 / Highway 249	\$24.27	\$20.39	\$25.67	\$20.80	\$26.56	\$20.62	\$26.87	\$20.73	1.2%	0.5%
FM 1960	\$24.34	\$14.94	\$25.71	\$15.52	\$26.56	\$15.74	\$26.73	\$15.99	0.7%	0.0%
North Belt West / Greenspoint	\$23.76	\$16.44	\$29.51	\$15.63	\$30.26	\$15.59	\$28.29	\$14.92	-6.5%	-4.3%
Greenspoint / IAH	\$20.47	\$16.38	\$21.36	\$16.34	\$21.65	\$15.80	\$21.77	\$15.97	0.6%	1.1%
Greenspoint / North Belt	\$22.85	\$16.43	\$27.24	\$15.73	\$28.95	\$15.62	\$27.22	\$15.03	-5.6%	-3.7%
Greenway Plaza	\$30.22	\$23.29	\$32.11	\$23.72	\$35.04	\$25.34	\$35.92	\$25.89	2.5%	2.2%
Gulf Freeway / Pasadena	-	\$20.71	-	\$21.61	-	\$22.35	-	\$22.35	-	0.0%
Katy	\$30.56	\$23.20	\$30.56	\$23.20	\$32.26	\$23.71	\$32.94	\$24.01	2.1%	1.3%
Katy Freeway East	\$35.45	\$21.38	\$35.52	\$21.79	\$36.65	\$23.26	\$38.02	\$23.89	3.7%	2.7%
Katy Freeway West	\$31.62	\$19.55	\$33.69	\$20.52	\$35.98	\$22.73	\$37.19	\$23.13	3.4%	1.8%
Katy Fwy / Energy Corridor	\$32.44	\$20.41	\$34.08	\$21.12	\$36.06	\$22.90	\$37.40	\$23.25	3.5%	1.9%
Kingwood / Humble	\$32.13	\$18.50	\$32.13	\$19.00	\$32.13	\$19.54	\$32.55	\$18.75	1.3%	-4.0%
NASA / Clear Lake	\$23.57	\$19.40	\$23.58	\$18.33	\$25.01	\$18.62	\$25.01	\$18.82	0.0%	1.1%
Northeast	-	\$17.05	-	\$16.57	-	\$17.32	-	\$17.29	-	-0.2%
North Loop West	\$25.18	\$16.57	\$23.81	\$18.25	\$26.76	\$20.50	\$26.97	\$20.81	0.8%	1.5%
Northwest Near	-	\$15.51	-	\$15.60	-	\$16.40	-	\$16.63	-	1.4%
Northwest Far	\$18.98	\$14.41	\$19.04	\$15.31	\$19.29	\$16.66	\$19.38	\$16.70	0.5%	0.2%
Northwest	\$22.61	\$15.46	\$21.83	\$16.72	\$23.67	\$18.50	\$22.44	\$18.32	0.6%	0.8%
South Main / Medical Center	\$29.72	\$23.42	\$28.54	\$24.00	\$29.09	\$25.09	\$29.19	\$25.26	0.3%	0.7%
Southwest / Hillcroft	\$21.24	\$14.61	\$21.75	\$14.18	\$21.98	\$13.81	\$22.04	\$14.10	0.3%	2.1%
Southwest Beltway 8	\$24.70	\$16.37	\$23.24	\$16.68	\$22.45	\$16.43	\$22.45	\$16.23	0.0%	-1.2%
East Ft Bend Co. / Sugar Land	\$27.22	\$19.98	\$26.68	\$21.32	\$27.09	\$21.60	\$28.02	\$21.49	3.4%	-0.5%
Southwest Fwy / Sugar Land	\$25.37	\$16.41	\$24.95	\$16.67	\$25.17	\$16.56	\$25.05	\$16.12	2.0%	-0.3%
West Belt	\$29.02	\$22.99	\$30.35	\$23.21	\$31.42	\$23.83	\$32.02	\$23.89	1.9%	0.3%
Bellaire	\$25.06	\$20.43	\$25.86	\$21.08	\$26.80	\$22.09	\$26.96	\$22.14	0.6%	0.2%
Post Oak Park	\$32.48	\$24.40	\$35.43	\$26.36	\$35.94	\$27.43	\$36.51	\$27.76	1.6%	1.2%
Galleria	\$34.36	\$23.90	\$35.70	\$26.70	\$37.04	\$27.49	\$38.00	\$27.40	2.6%	-0.3%
Riverway	\$29.57	\$22.02	\$30.82	\$23.72	\$32.10	\$25.12	\$33.14	\$25.66	3.2%	2.1%
Richmond / Fountainview	-	\$16.20	-	\$16.64	-	\$17.54	-	\$17.83	-	1.7%
San Felipe / Voss	\$32.70	\$20.96	\$32.44	\$22.40	\$34.54	\$23.41	\$35.19	\$23.50	1.9%	0.4%
West Loop	\$32.89	\$21.99	\$34.25	\$23.68	\$35.40	\$24.43	\$36.44	\$24.46	2.3%	0.7%
Westchase	\$34.27	\$18.22	\$35.38	\$19.75	\$38.70	\$21.51	\$38.98	\$21.23	0.7%	-1.3%
The Woodlands	\$35.37	\$23.79	\$35.95	\$23.38	\$39.56	\$25.63	\$40.56	\$25.39	2.5%	-0.9%
Conroe	\$29.54	\$23.96	\$28.42	\$25.73	\$28.40	\$25.08	\$29.35	\$24.77	3.3%	-1.2%
TOTAL - Houston	\$31.56	\$19.46	\$32.71	\$19.96	\$34.49	\$20.88	\$35.31	\$21.28	2.4%	1.9%

SUBMARKET	2012 CLASS AA	2013 CLASS AA	2014 CLASS AA	2015 CLASS AA	% CHANGE 12/14-12/15 CLASS AA
Central Business District	\$46.77	\$50.04	\$52.75	\$54.29	2.9%
Galleria	\$44.93	\$46.95	\$48.76	\$49.44	1.4%

SOURCE Transwestern analysis of CoStar data - rents for properties using triple net terms have been grossed up to full service with operating expense data, rents reflect full service equivalent

NOTE Asking rents for Class AA assets have been separated out for two submarkets due to the large differential in rental rates for Class A.

HOUSTON METRO MARKET

YEAR-END 2015

INDUSTRIAL

Deliveries impact fundamentals

The Houston industrial market felt the effects of two consecutive quarters of low preleasing in deliveries with a rise in vacancy and negative net absorption at fourth quarter. Leasing activity, though fairly robust, consisted largely of renewals which are not reflected in absorption. Net absorption for all sectors totaled negative 400,000 SF at fourth quarter, for a 2015 total of 7.1 million SF, slightly above the historical average of 6.9 million SF. The oil price decline is causing weaker demand for some subsets of industrial space which is expected to continue through 2016.

Notable Q4 leases:

Exel - 905,000 SF renewal, Citypark East, Northeast Near submarket

Michelin Tire - 645,000 SF renewal, Citypark East, Northeast Near submarket

Dunavant Transportation - 565,760 SF renewal and expansion, Bay Area Business Park Phase II, East-Southeast Far submarket

Floor & Decor Outlets - 480,480 SF renewal and expansion, Bay Area Business Park Phase I, East-Southeast Far submarket

Plastic Express - 394,489 SF new lease, Port 225 Phase II, East-Southeast Far submarket

VACANCY

Vacancy jumps at year-end

The overall industrial vacancy rate (including sublet) was 5.3% at year-end, up from 4.8% at third quarter and 4.4% a year ago. Direct vacancy was 5.2%, up from 4.7% last quarter and 4.3% in 2014. Despite more than 11 million SF in deliveries in 2015, vacancy has remained tight, rising just 0.9% over the last year. Industrial vacancy is likely to continue climbing in the period ahead as Houston comes down from the high of the development cycle, and low oil prices impact demand for space.

SUPPLY AND DEVELOPMENT

Pipeline edges down slightly

There was 9.5 million SF of industrial space under construction at fourth quarter, as compared to 9.8 million SF last quarter and 8.6 million SF a year ago. This space was 60% preleased, up from 58% at third quarter and 28% at year-end 2014. The Northwest Far and East-Southeast Far submarkets account for 64%, and warehouse/distribution product comprises 53% of the space under construction.

Houston continues to experience a significant level of deliveries each quarter as the development pipeline remains sizable. In total, 2.1 million SF delivered in the fourth quarter at 32% preleased. During 2015, 11.6 million SF of new industrial supply was added to the market at 43% preleased. The full development pipeline is at 2.5% of standing inventory, and developers are exercising caution breaking ground as supply is expected to exceed demand in 2016.

RENTAL RATES

Rent growth flat quarter-over-quarter

Asking rental rates for all sectors rose 10.8% to \$6.68 per SF triple net from year-end 2014 but were unchanged from third quarter as pressure on effective rents increased. Quoted base rents for new distribution space are between \$5.00 and \$5.30 per SF triple net with an allowance of \$5.00-\$6.50 per SF for initial improvements. Due to the volume of new supply, greater concession packages are being offered, especially on speculative construction projects.

Net absorption by sector

SECTOR	Q4 2015
Flex	(88,000) SF
Manufacturing	123,000 SF
Warehouse/Distribution	(435,000) SF
Total	(400,000) SF

Vacancy by sector

SECTOR	DIRECT	OVERALL
Flex	6.8%	7.1%
Manufacturing	1.6%	1.6%
Warehouse/ Distribution	5.7%	5.8%
Total	5.2%	5.3%

Industrial space under construction

SUBMARKET	SF	% PRE-LEASED
East-Southeast Far	1,896,026	9%
North Far	1,333,311	7%
North Near	30,000	0%
Northwest Far	4,138,840	99%
Northwest Near	42,000	100%
South Far	210,000	100%
Southwest Far	743,757	45%
Southwest Near	349,000	0%
Sugar Land	756,000	100%
Total	9,498,934	60%

INVESTMENT MARKET

Transaction volume hits new high in 2015

The metro recorded \$489.1 million in industrial sales transactions during the fourth quarter, for a 2015 total of close to \$1.9 billion. This is a record level of sales volume, surpassing 2013 which was the highest point since data collection began in 2001. Cap rates covered a wide range depending on the type and class of product. Class A properties sold in the 5-6% range, while Class B traded in the 7-9% range. However, well-located Class A distribution projects are currently trading in the low-5% range based on the abundance of capital looking for core investments. Due to the scarcity premium of product on the market and continued low interest rates, though, this remains to be seen. Active industrial buyers in the Houston market include: Prologis, TA Realty, CABOT, TIAA-CREF, Crow Holdings, Invesco, Industrial Property Trust, Liberty Property Trust, Clarion Partners, Principal and GLP.

The decline in oil prices has resulted in increased caution from some investors, though long-term fundamentals project favorably for continued industrial investment. With a weaker metro economy, the high transaction volume of the last three years should begin to normalize in 2016. In spite of the soft economy, downward pressure on cap rates is expected to remain in place for Class A distribution product. Cap rates for Class B have risen based on age of product, tenant base and concerns about future demand and rent growth in the sector.

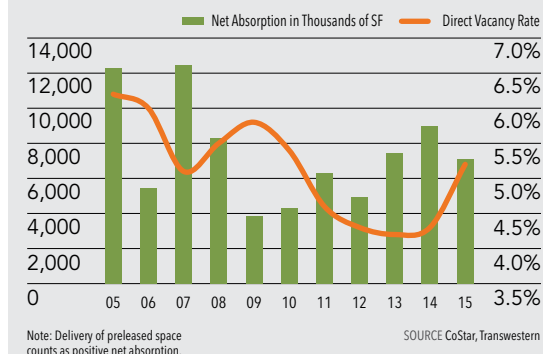
INDUSTRIAL MARKET OUTLOOK

Sector to cool in 2016

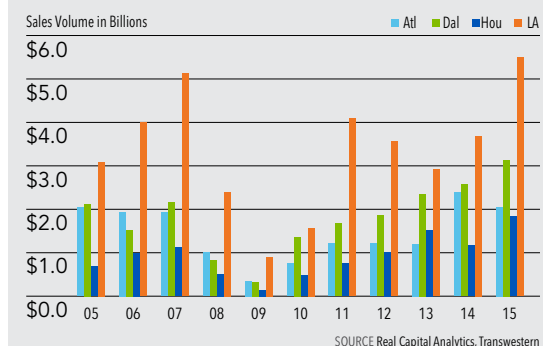
The high momentum of the first three quarters of 2015 hit the brakes slightly in the fourth quarter as a year of uncertain economic conditions began to impact the industrial market. However, the industrial market should see less softness than the office and multifamily markets due to its sub-6% vacancy and sub-3% development pipeline. The Houston market will also continue to benefit from strong distribution channels and levels of investment and expansion at both the Port of Houston and in petrochemical development along the Gulf Coast. In the period ahead, this will further drive high levels of leasing and construction activity the East-Southeast Far submarket.

With lower demand expected through 2016, we anticipate the overall vacancy rate for all sectors of industrial to rise into the high-6% range over the next 12 months. The high levels of absorption should begin to abate with the volume of deliveries set to hit the market and low oil prices reducing demand for space. Rents are expected to remain relatively flat in 2016 though concessions will become more prevalent, especially for new construction.

INDUSTRIAL NET ABSORPTION AND VACANCY HOUSTON METRO AREA



COMPARATIVE INDUSTRIAL INVESTMENT SALES VOLUME SELECT METRO AREAS



Multi-tenant market vs Transwestern comprehensive market coverage

	MULTI-TENANT	ENTIRE MARKET
Inventory	195.5 MSF	479.0 MSF
Overall Vacancy	8.4%	5.3%
Q4 Net absorption	547,388 SF	(400,000) SF

WHY OUR METHODOLOGY IS THE BEST INDICATOR OF CURRENT MARKET CONDITIONS

We include owner occupied and single-tenant buildings in our inventory, vacancy and absorption statistics to capture more market activity than many of our competitors. This allows us to better correlate changes in the market with changes in employment. As single-tenant space does compete with multi-tenant space, we believe it is critical to understand all components of the market. The inclusion of single-tenant and owner-occupied space tends to yield lower vacancy rates and higher absorption totals than some of our competitors' results, but our coverage of the market is more comprehensive.

HOUSTON METRO MARKET

YEAR-END 2015

Houston Industrial Market Indicators

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY 2014	DIRECT VACANCY Q4 2015	VACANCY WITH SUBLET Q4 2015	UNDER CONSTRUCTION	NET ABSORPTION Q4 2015	NET ABSORPTION 2015
Central Business District								
Flex/R & D	583,281	54,245	8.3%	9.3%	9.3%	-	-	(6,000)
Manufacturing	6,137,612	24,550	0.0%	0.4%	0.4%	-	-	(25,000)
Warehouse/Distribution	23,497,545	1,409,853	5.9%	6.0%	6.1%	-	-	(24,000)
Total - Central Business District	30,218,438	1,488,648	4.7%	4.9%	5.0%	-	-	(55,000)
East-Southeast Far								
Flex/R & D	1,917,546	258,869	12.2%	13.5%	14.9%	-	31,000	(25,000)
Manufacturing	6,195,146	315,952	5.4%	5.1%	5.1%	-	19,000	19,000
Warehouse/Distribution	39,326,970	2,233,772	5.9%	5.7%	5.7%	1,896,026	485,000	2,077,000
Total - East-Southeast Far	47,439,662	2,808,593	6.1%	5.9%	6.0%	1,896,026	535,000	2,071,000
North Far								
Flex/R & D	8,138,519	512,727	7.6%	6.3%	6.4%	50,000	(49,000)	152,000
Manufacturing	7,510,733	255,365	1.0%	3.4%	3.4%	-	-	(130,000)
Warehouse/Distribution	46,640,675	5,270,396	9.7%	11.3%	11.5%	1,283,311	(109,000)	2,186,000
Total - North Far	62,289,927	6,038,488	8.3%	9.7%	9.9%	1,333,311	(158,000)	2,208,000
North Near								
Flex/R & D	1,097,470	75,725	10.1%	6.9%	8.4%	-	7,000	35,000
Manufacturing	3,283,704	45,972	3.4%	1.4%	1.4%	-	-	66,000
Warehouse/Distribution	13,414,966	965,878	7.1%	7.2%	7.5%	30,000	(55,000)	146,000
Total - North Near	17,796,140	1,087,575	6.6%	6.1%	6.4%	30,000	(48,000)	247,000
Northeast Far								
Flex/R & D	22,500	-	0.0%	0.0%	0.0%	-	-	-
Manufacturing	182,720	-	0.0%	0.0%	0.0%	-	-	-
Warehouse/Distribution	859,481	-	0.0%	0.0%	0.0%	-	-	-
Total - Northeast Far	1,064,701	-	0.0%	0.0%	0.0%	-	-	-
Northeast Near								
Flex/R & D	419,469	31,460	6.2%	7.5%	7.5%	-	1,000	(6,000)
Manufacturing	5,931,399	-	0.0%	0.0%	0.0%	-	18,000	-
Warehouse/Distribution	23,820,810	343,020	1.6%	1.4%	1.4%	-	(47,000)	126,000
Total - Northeast Near	30,171,678	374,480	1.3%	1.2%	1.2%	-	(28,000)	120,000
Northwest Far								
Flex/R & D*	5,536,890	193,791	3.2%	3.5%	3.6%	-	25,000	(12,000)
Manufacturing	8,886,218	133,293	1.8%	1.5%	1.5%	4,000,000	80,000	41,000
Warehouse/Distribution	48,546,348	4,213,823	4.7%	8.7%	8.8%	138,840	(261,000)	1,549,000
Total - Northwest Far	62,969,456	4,540,907	4.1%	7.2%	7.3%	4,138,840	(156,000)	1,578,000
Northwest Near								
Flex/R & D	10,813,931	897,556	7.4%	8.3%	9.0%	-	(13,000)	(77,000)
Manufacturing	9,327,202	139,908	1.1%	1.5%	1.5%	-	-	-
Warehouse/Distribution	67,467,875	2,361,376	2.4%	3.5%	3.7%	42,000	(435,000)	(60,000)
Total - Northwest Near	87,609,008	3,398,840	2.9%	3.9%	4.1%	42,000	(448,000)	(137,000)

SOURCE Inventory and vacancy from analysis of CoStar data, net absorption computed by Transwestern

NOTE Includes buildings 15,000 SF RBA and greater, does not include buildings under construction or owned by the government

See next page for balance of industrial indicators.

Houston Industrial Market Indicators

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY 2014	DIRECT VACANCY Q4 2015	VACANCY WITH SUBLET Q4 2015	UNDER CONSTRUCTION	NET ABSORPTION Q4 2015	NET ABSORPTION 2015
South Far								
Flex/R & D	1,303,105	24,759	1.6%	1.9%	1.9%	-	(4,000)	(4,000)
Manufacturing	6,872,511	68,725	1.0%	1.0%	1.0%	-	-	195,000
Warehouse/Distribution	21,635,178	627,420	2.5%	2.9%	3.1%	210,000	65,000	152,000
Total - South Far	29,810,794	720,904	2.1%	2.4%	2.6%	210,000	61,000	343,000
South Near								
Flex/R & D	689,156	137,831	19.7%	20.0%	20.7%	-	(22,000)	(2,000)
Manufacturing	1,509,616	16,606	6.7%	1.1%	1.1%	-	-	85,000
Warehouse/Distribution	9,955,560	238,933	2.8%	2.4%	2.4%	-	(60,000)	40,000
Total - South Near	12,154,332	393,370	4.2%	3.2%	3.3%	-	(82,000)	123,000
Southeast Near								
Flex/R & D	363,962	10,919	11.0%	3.0%	3.0%	-	(2,000)	29,000
Manufacturing	9,947,061	-	0.0%	0.0%	0.0%	-	-	-
Warehouse/Distribution	20,423,140	512,621	1.8%	2.5%	2.5%	-	4,000	(145,000)
Total - Southeast Near	30,734,163	523,540	1.3%	1.7%	1.7%	-	2,000	(116,000)
Southwest Far								
Flex/R & D	1,502,099	126,176	9.0%	8.4%	8.7%	291,257	(6,000)	9,000
Manufacturing	1,580,397	17,384	8.7%	1.1%	1.1%	-	106,000	120,000
Warehouse/Distribution	6,470,119	485,259	3.6%	7.5%	7.5%	452,500	(71,000)	189,000
Total - Southwest Far	9,552,615	628,820	5.4%	6.6%	6.6%	743,757	29,000	318,000
Southwest Near								
Flex/R & D	6,602,139	402,730	4.8%	6.1%	6.1%	-	(53,000)	(86,000)
Manufacturing	4,608,887	152,093	2.6%	3.3%	3.3%	-	(92,000)	(32,000)
Warehouse/Distribution	27,644,549	1,100,253	3.6%	4.0%	4.0%	349,000	53,000	87,000
Total - Southwest Near	38,855,575	1,655,077	3.7%	4.3%	4.3%	349,000	(92,000)	(31,000)
Sugar Land								
Flex/R & D	3,082,022	123,281	4.0%	4.0%	4.2%	106,000	(3,000)	1,000
Manufacturing	2,510,135	17,571	0.7%	0.7%	0.7%	-	(8,000)	-
Warehouse/Distribution	12,759,905	893,193	7.2%	7.0%	7.0%	650,000	(4,000)	402,000
Total - Sugar Land	18,352,062	1,034,045	5.7%	5.6%	5.7%	756,000	(15,000)	403,000
Houston								
Flex/R & D	42,072,089	2,850,070	6.7%	6.8%	7.1%	447,257	(88,000)	8,000
Manufacturing	74,483,341	1,187,420	1.7%	1.6%	1.6%	4,000,000	123,000	339,000
Warehouse/Distribution	362,463,121	20,655,796	4.6%	5.7%	5.8%	5,051,677	(435,000)	6,725,000
Total - Houston	479,018,551	24,693,287	4.3%	5.2%	5.3%	9,498,934	(400,000)	7,072,000

SOURCE Inventory and vacancy from analysis of CoStar data, net absorption computed by Transwestern

NOTE Includes buildings 15,000 SF RBA and greater, does not include buildings under construction or owned by the government

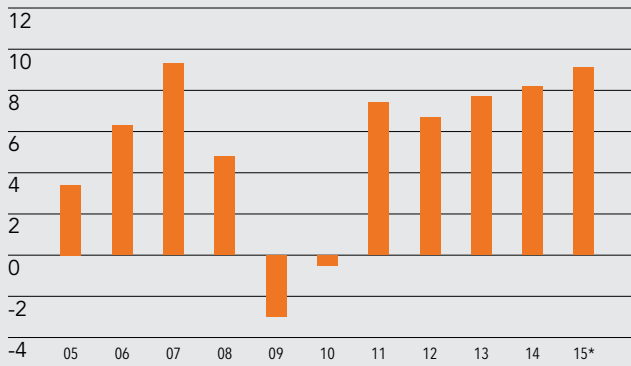
HOUSTON METRO MARKET

YEAR-END 2015



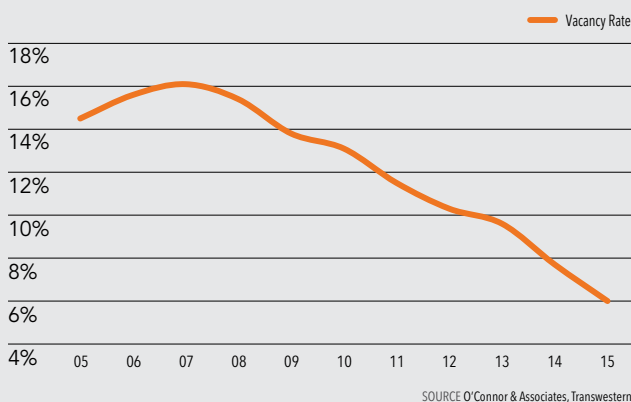
RETAIL JOB GROWTH HOUSTON METRO AREA

Employees in Thousands



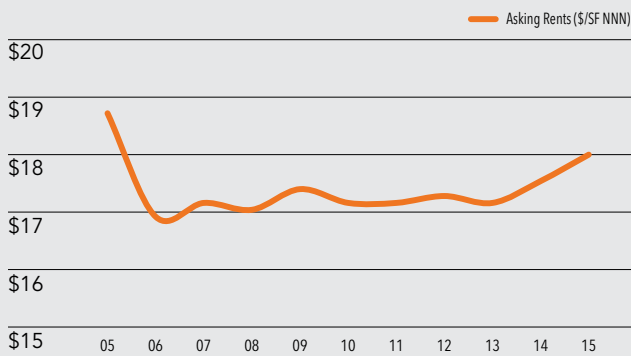
SOURCE U.S. Bureau of Labor Statistics, Transwestern *12-month job growth through November 2015

RETAIL VACANCY RATE TRENDS HOUSTON METRO AREA



SOURCE O'Connor & Associates, Transwestern

AVERAGE RETAIL RENTAL RATE HOUSTON METRO AREA



SOURCE O'Connor & Associates, Transwestern

RETAIL

Retail development booming

Houston's retail sector job growth remained strong in the fourth quarter, adding 9,100 jobs over the 12 months ending in November, a 3.0% increase. Job growth through November has already surpassed the 2014 total and is approaching the 2007 high. Retail job growth should make further gains in 2016 as a steady stream of new retailer and restaurant openings fuels a ramp up in hiring. Grocery-anchored shopping centers continue to dominate construction starts, with specialty grocers bringing new sites into play with their smaller footprints. Interest continues to grow on the east side of Houston as residential communities sprout up in response to the petrochemical boom. The retail sector has been thriving even as oil prices have challenged growth in other sectors.

VACANCY

Vacancy tightens further

Retail vacancy edged down to 6.0% at the close of fourth quarter, from 6.4% at third quarter and 7.7% a year ago. Pent-up demand is causing developments to be leased up quickly by both new to the metro and established retail tenants. Going forward, vacancy will likely remain low as retailers seek new spaces to capture the evolving market and supply works to meet demand.

RENTAL RATES

Rental rates continue to rise

Retail rents for all classes of space closed the year at \$18.00 per SF, up from \$17.88 at third quarter and \$17.64 a year ago. Rental rates vary widely depending on property type and location. Houston's retail market has sustained rent growth, despite the large increase in development activity, because of high demand from consumers. Asking rents should continue to trend upwards in the period ahead powered by strong market fundamentals and low vacancy.

INVESTMENT MARKET

Retail investments still attractive

Sales volume totaled \$426.0 million in the fourth quarter, for year-to-date total of close to \$1.9 billion. This surpasses last year's total and nearly reached the 2007 peak. These are assets for which pricing could be obtained. Activity in the fourth quarter was highlighted by the sale of the Brazos Mall, a 684,000 SF property in the Pearland/Manvel submarket. A joint venture between Centennial, Atlantic Creek and North Shore Properties Group purchased the property for an undisclosed price.

GROSS SALES

Outlook drops along with gas prices

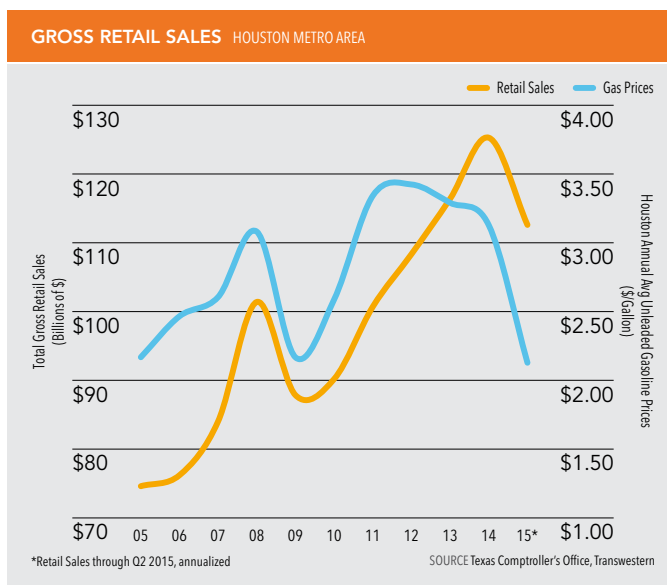
The most recent data from the Texas Comptroller's Office shows that gross retail sales in the Houston metro are projected to reach \$112.6 billion, annualized, by the end of 2015. This is a 10.1% decrease from the \$125.3 billion recorded for 2014. Gasoline sales comprise a large component of retail sales, and the oil downturn has caused a 32% decline in prices at the pump between 2014 and 2015. While lower fuel prices help drive consumer spending across the metro, the impact is also reflected in lower gross retail sales projections for the year.

RETAIL MARKET OUTLOOK

Retail sector hitting its stride

The Houston retail market had a stronger showing in 2015 than any other commercial real estate sector except possibly healthcare. A wave of growth has hit from urban markets where higher density retail is thriving to where new transportation corridors and downstream activity drives new projects in the suburbs. After several years of strong population growth, new retail centers are in high demand, and coupled with tightness in the market, is leading to a much needed construction boom. The Grand Parkway will continue to open new corridors for growth as it slowly works its way across the northern part of the metro. Additionally, developers are seeking opportunities to capitalize on renewed demand in suburban areas where population is expanding. Houston is becoming a popular destination for retailers looking to break into new markets outside of their home base cities. First-time retailers to the metro, including Dick's Sporting Goods and Bowl & Barrel, hope to grab market share in a competitive retail sector.

Grocery-anchored centers are expected to remain red-hot through 2016 as more developments continue to be announced. Mixed-use projects and high-end retailers have proven extremely successful in Houston, and we expect more creative concepts to arise in the flourishing market. The retail sector will continue to thrive through 2016 as it evolves with changing dynamics across Houston.



HOUSTON METRO MARKET

YEAR-END 2015

MULTIFAMILY

Class B & C assets remain strong

In the Houston multifamily market, Class A product is showing signs of weakness, while Class B and C product remains tight. In the past 12 months, more than 21,000 units have delivered, causing occupancy and subsequently rental rates to fall slightly. Softening in this sector can be largely attributed to the amount of new supply coming online, while the oil slump has been a secondary factor. Construction activity was expected to dip as the year came to a close, but many developers have opted to move forward on already financed projects. In 2016, multifamily should continue to cool, and new construction projects will likely drop off as weaker economic conditions prevail.

OCCUPANCY

Occupancy holds above 90%

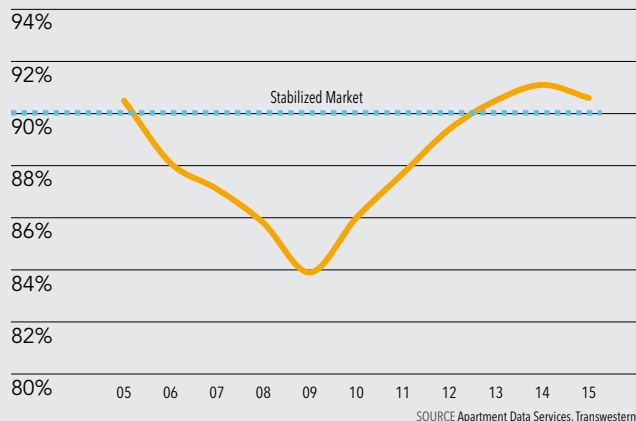
Houston's multifamily market averaged occupancy of 90.6% in the fourth quarter, down slightly from 91.1% in the third quarter. Class B and C properties recorded the highest occupancies, both averaging 93.6%, followed by Class D assets at 89.9% and then Class A properties at 83.0%. Submarkets with the highest occupancies at fourth quarter were Westpark/Bissonnet - 95.4%, Northline - 94.7% and Inwood/Hwy 249 - 94.7%. Even though occupancy dropped further in the fourth quarter, the market is considered stable at 90% or greater. Looking ahead, occupancy will likely continue to dip, especially in Class A product as new inventory delivers.

ABSORPTION

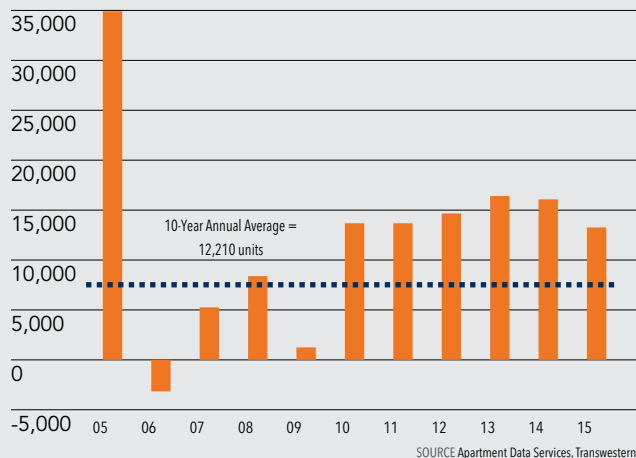
Absorption falls in Q4

The Houston metro absorbed negative 131 units in the fourth quarter, down from 2,485 units absorbed last quarter. Historically, fourth quarter absorption is relatively flat, so the slight negative should not be point of concern for the market. Submarkets posting the highest absorption levels include: Braeswood/Fondren SW - 353 units, Energy Corridor/CityCentre/Briar Forest - 304 units and Tomball/Spring - 284 units. In total, 13,262 units were absorbed in 2015, compared to 16,432 units in 2014. Absorption is expected to continue in this range as owners begin to offer additional concessions and lease up specials.

APARTMENT OCCUPANCY HOUSTON METRO AREA



APARTMENT ABSORPTION HOUSTON METRO AREA



RENTAL RATES

Rents see first decrease in 5 years

Average effective rents fell in the fourth quarter to \$966 per unit, \$1.099 per SF, compared to \$969 per unit, \$1.104 per SF, at third quarter. Rental rates, on an annualized basis, have decreased 2.0% over the past three months, increased 0.4% over the past six months and increased 5.0% over the past 12 months. Submarkets with the highest annualized rental rate growth at fourth quarter were Alvin/Angleton/Lake Jackson - 11.2%, Beltway 8/I-45 South - 9.7% and Highway 288 South/Pearland West - 9.2%. Additionally, concessions were reported in 28% of the market with the average special provided at 6.4%. Greater concession offers are likely to continue, especially if expected lease-up in new properties does not occur. Class A communities especially will be under pressure to reduce rents in the period ahead to combat the oversupply.

SUPPLY AND DEVELOPMENT

Increased construction bucks market trend

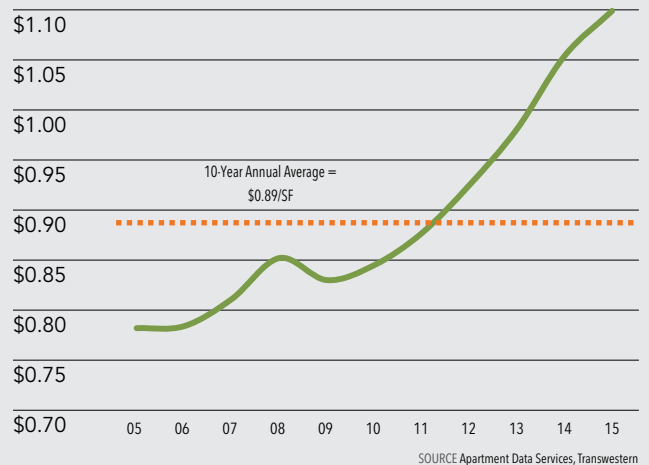
In the 12 months ending in November, 74 communities comprised of 21,192 units delivered across the metro. Currently, there are 29,005 units in 102 communities under construction and 16,208 units in 56 communities proposed. Submarkets with the highest level of construction activity include Montrose/Museum/Midtown - 3,623 infill units, Tomball/Spring - 3,442 suburban units and Downtown - 3,437 infill units. Developers remain bullish on the Houston multifamily market, despite the weaker economy. While overall activity tapers off, developers may shift attention to unique areas of growth, such as the east side of the metro, in order to capture tenants moving for petrochemical jobs.

INVESTMENT MARKET

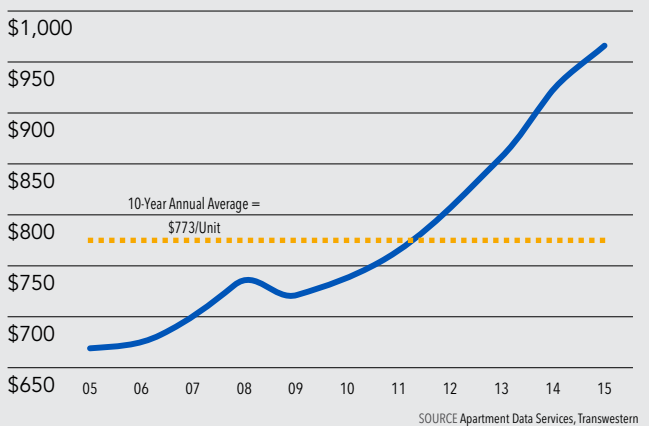
Seasonal downturn in sales

Fourth quarter transaction activity decreased with 32 properties sold, comprised of 7,928 units as compared to 44 buildings, comprised of 11,923 units, at third quarter. Funding sources for asset purchases has been limited as lenders are apprehensive to grant loans in the current economic conditions. Class A investors remain interested in pad sites purchases for future development in order to be the first movers in the next cycle of multifamily construction. Well-located, value-add product will continue to be in high demand, and cap rates to look remain in the 4.75 - 7.50% range going forward.

APARTMENT RENTS/SF HOUSTON METRO AREA



APARTMENT RENTS/UNIT HOUSTON METRO AREA



HOUSTON METRO MARKET

YEAR-END 2015

Houston Multifamily Market Indicators

	SUBMARKET	# OF APT. COMMUNITIES	# OF APT. UNITS	AVERAGE OCCUPANCY	AVERAGE UNIT SF	AVERAGE EFFECTIVE RENT/MONTH	AVERAGE EFFECTIVE RENT/SF	UNITS UNDER CONSTRUCTION	UNITS ABSORBED Q4 2015
1	Montrose/Museum/Midtown	10,822	45	92.1%	926	\$1,686	\$1.82	3,623	122
2	Highland Village/Upper Kirby/West U	15,209	58	85.2%	960	\$1,691	\$1.76	1,474	14
3	Med Center/Braes Bayou	20,998	71	90.4%	876	\$1,290	\$1.47	2,644	(219)
4	Heights/Washington Ave	9,466	42	85.3%	894	\$1,546	\$1.73	1,485	119
5	Downtown	2,428	11	90.6%	957	\$1,852	\$1.94	3,437	27
6	I-10 East/Woodforest/Channelview	11,352	56	92.5%	832	\$764	\$0.92	246	(50)
7	I-69 North	3,503	26	91.5%	849	\$730	\$0.86	-	(43)
8	Northline	6,212	46	94.7%	840	\$703	\$0.84	-	37
9	Greenspoint/Northborough/Aldine	17,475	67	93.4%	794	\$642	\$0.81	-	92
10	FM 1960 East/IAH Airport	8,454	44	93.0%	899	\$820	\$0.91	228	33
11	Lake Houston/Kingwood	11,447	45	92.7%	936	\$1,053	\$1.13	304	(72)
12	Northeast Houston/Crosby	3,278	21	93.1%	886	\$708	\$0.80	-	63
13	Brookhollow/Northwest Crossing	19,421	88	93.8%	826	\$784	\$0.95	240	32
14	Memorial/Spring Branch	21,276	106	91.0%	916	\$914	\$1.00	247	(204)
15	Inwood/Hwy 249	6,030	34	94.7%	883	\$711	\$0.81	-	(30)
16	Willowbrook/Champions/Ella	38,773	156	92.2%	883	\$884	\$1.00	-	(456)
17	Jersey Village/Cypress	14,961	60	94.2%	908	\$979	\$1.08	-	(119)
18	Bear Creek/Copperfield/Fairfield	15,677	58	87.1%	899	\$993	\$1.11	288	217
19	Katy/Cinco Ranch/Waterside	22,311	80	80.7%	955	\$1,143	\$1.20	2,729	237
20	Tomball/Spring	8,864	41	82.2%	921	\$1,023	\$1.11	3,442	284
21	Woodlands/South Conroe	16,804	59	88.9%	945	\$1,139	\$1.21	2,015	(72)
22	Conroe North/ Montgomery	7,114	40	93.3%	890	\$873	\$0.98	1,147	(42)
23	Hwy 288/Pearland West	10,786	42	88.4%	963	\$1,078	\$1.12	576	(67)
24	U of H/I-45 South	17,014	103	92.4%	794	\$686	\$0.86	222	(98)
25	Beltway 8/I-45 South	13,004	46	93.6%	859	\$830	\$0.97	-	(39)
26	Pasadena/Deer Park/La Porte	22,646	117	90.6%	847	\$768	\$0.91	192	(26)
27	Friendswood/Pearland East	5,458	28	94.1%	858	\$965	\$1.13	-	(22)
28	Clear Lake/Webster/League City	23,345	93	90.9%	884	\$1,004	\$1.14	347	(259)
29	Baytown	9,397	52	93.7%	847	\$813	\$0.96	283	77
30	Dickinson/Galveston	11,100	73	93.1%	838	\$795	\$0.95	-	36
31	Alvin/Angleton/Lake Jackson	9,609	61	88.4%	819	\$808	\$0.99	308	(149)
32	Galleria/Uptown	22,983	98	88.7%	892	\$1,282	\$1.44	1,184	10
33	Woodlake/Westheimer	11,513	35	89.9%	889	\$1,061	\$1.19	338	62
34	Energy Corridor/CityCentre/Briar Forest	30,700	99	83.1%	950	\$1,134	\$1.19	1,740	304
35	Westchase	14,653	49	89.3%	838	\$968	\$1.16	266	(181)
36	Alief	26,895	110	93.5%	873	\$819	\$0.94	-	(209)
37	Sharpstown/Westwood	25,538	106	93.5%	790	\$660	\$0.84	-	132
38	Westpark/Bissonnet	16,900	58	95.4%	811	\$711	\$0.88	-	38
39	Braeswood/Fondren SW	21,906	83	91.9%	839	\$721	\$0.86	-	353
40	Almeda/South Main	4,438	24	94.0%	847	\$819	\$0.97	-	24
41	Sugar Land/Stafford/Sienna	11,905	47	91.4%	952	\$1,171	\$1.23	-	(88)
42	Richmond/Rosenberg	4,766	29	94.2%	875	\$946	\$1.08	-	1
	Greater Houston	606,431	2,607	90.6%	879	\$966	\$1.10	29,005	(131)

SOURCE Apartment Data Services, Transwestern

NOTE Most submarkets reflect new market data this quarter due to renaming and redrawing of boundaries per ADS

Houston Multifamily Communities Recently Opened

	SUBMARKET	PROPERTY	UNITS	MOVE-INS
1	Energy Corridor/CityCentre/Briar Forest	Pearl CityCentre	311	16-Mar
2	Katy/Cinco Ranch/Waterside	Broadstone Falcon Landing	386	16-Mar
3	Galleria/Uptown	High Point Uptown	277	16-Mar
4	Med Center/Braes Bayou	5755 Hermann Park	193	16-Feb
5	Pasadena/Deer Park/La Porte	Crenshaw Grand	264	16-Feb
6	Energy Corridor/CityCentre/Briar Forest	District At Memorial	326	16-Feb
7	Katy/Cinco Ranch/Waterside	Elan 99 West	360	16-Feb
8	Galleria/Uptown	Tate Tanglewood	431	16-Feb
9	Woodlands/South Conroe	Townhomes At Woodmill Creek	171	16-Feb
10	Heights/Washington Ave	Alta West End	283	16-Jan
11	Energy Corridor/CityCentre/Briar Forest	Domain Memorial	313	16-Jan
12	Katy/Cinco Ranch/Waterside	Grand Mason At Waterside Estates	229	16-Jan
13	Clear Lake/Webster/League City	The Towers Of Seabrook	416	16-Jan
22	Montrose/Museum/Midtown	The Hampstead	36	15-Dec
14	Friendswood/Pearland East	Amber Oaks	63	15-Dec
15	Med Center/Braes Bayou	District 28	299	15-Dec
16	Energy Corridor/CityCentre/Briar Forest	H6	293	15-Dec
17	Montrose/Museum/Midtown	Alexan Midtown	215	15-Nov
18	Highland Village/Upper Kirby/West U	Hanover Southampton	206	15-Nov
19	Highland Village/Upper Kirby/West U	The James River Oaks	344	15-Nov
20	Med Center/Braes Bayou	Modera Flats	265	15-Nov
21	Woodlake/Westheimer	Pearl Woodlake	376	15-Nov
23	Bear Creek/Copperfield/Fairfield	91Fifty	210	15-Oct
24	Hwy 288 South/Pearland West	Broadstone Shadow Creek Ranch	382	15-Oct
25	Westchase	The Heights At Westchase	265	15-Oct
26	Tomball/Spring	Landmark Grand Champion	360	15-Oct
27	Pasadena/Deer Park/La Porte	Mariposa At Pecan Park	180	15-Oct
28	Bear Creek/Copperfield/Fairfield	North Haven	310	15-Oct
29	Memorial/Spring Branch	Viridian Design District	394	15-Oct
Total			8,158	

SOURCE Apartment Data Services, Transwestern; list includes communities with openings through 03/2016

NOTE Submarket names have changed due to renaming and redrawing of boundaries per ADS

HOUSTON METRO MARKET

YEAR-END 2015

Recent Houston Multifamily Sales

PROPERTY SOLD	SUBMARKET	YEAR BUILT	UNITS	CLOSE DATE
Augusta Meadows	Tomball/Spring	2008	264	Dec-15
One Westfield Lake	FM 1960 East/IAH Airport	1984	246	Dec-15
Sterlingshire The Hole	Northeast Houston/Crosby	1971	192	Dec-15
The Presidio at Clear Lake	Clear Lake/Webster/League City	1968	313	Dec-15
Abbey at Grant Road	Willowbrook/Champions/Ella	2007	372	Dec-15
Capital Estates	Downtown	1965	181	Dec-15
Avana Sterling Ridge	Woodlands/Conroe South	2005	254	Dec-15
Avana Cypress Estates	Jersey Village/Cypress	2003	336	Dec-15
Vantage Point Apartments	Jersey Village/Cypress	1984	228	Dec-15
Aurora Place	Jersey Village/Cypress	1983	176	Dec-15
Avana at South Shore	Clear Lake/Webster/League City	2008	316	Dec-15
Oak Forest Place Apts	Brookhollow/Northwest Crossing	1961	27	Nov-15
Calais Midtown	Montrose/Museum/Midtown	2003	356	Nov-15
Aspen	I-69 North	1973	209	Nov-15
Crestmont Village	Hwy 288 South/Pearland West	1970	170	Nov-15
The Falls at Clear Lakes	Clear Lake/Webster/League City	1983	400	Nov-15
Shepard Lofts	Heights/Washington Ave	2005	12	Nov-15
Sorrel Grand Parkway	Katy/Cinco Ranch/Waterside	2014	380	Nov-15
Quail Creek	Brookhollow/Northwest Crossing	1978	192	Oct-15
West Hollow Apartments	Braeswood/Fondren SW	1975	207	Oct-15
California II & Missouri Street Apartments	Montrose/Museum/Midtown	1952	62	Oct-15
The Villas at Sienna Plantation	Sugar Land/Stafford/Sienna	2014	190	Oct-15
23806 Colonial Pkwy	Katy/Cinco Ranch/Waterside	2015	324	Oct-15
Skytop & Oakcreek	Conroe North/Montgomery	2008	368	Oct-15
Watermarke	Jersey Village/Cypress	2005	280	Oct-15
Sands Point Apartments	Sharpstown/Westwood	1980	495	Oct-15
Central Park	Westchase	1976	424	Oct-15
Ravinia	Tomball/Spring	2000	232	Oct-15
Dorchester	U of H/I-45 South	1964	143	Oct-15
Winkler Villa	U of H/I-45 South	1972	135	Oct-15
Northpoint Square Apartments	Greenspoint/Northline/Aldine	1979	292	Oct-15
Deerbrook Forest	FM 1960 East/IAH Airport	1983	152	Oct-15

SOURCE Real Capital Analytics, Transwestern

NOTE Submarket names have changed due to renaming and redrawing of boundaries per ADS

Houston Multifamily Under Construction

SUBMARKET	PROPERTY	UNITS	MOVE-INS
Downtown	BBVA EaDo Site	311	15-Dec
Tomball/Spring	Landmark At Spring Cypress	408	15-Dec
Downtown	Texaco Building High Rise	309	15-Dec
Memorial/Spring Branch	1300 N Post Oak	247	16-Jan
Brookhollow/Northwest Crossing	2121 Ella	120	16-Jan
Downtown	500 Crawford	400	16-Jan
Montrose/Museum/Midtown	Axis	368	16-Jan
Katy/Cinco Ranch/WaterSide	Bella Terra At Katy	227	16-Jan
Downtown	Block 334	207	16-Jan
Montrose/Museum/Midtown	DLC At Midtown	217	16-Jan
Woodlands/South Conroe	Grand Estates In The Forest	416	16-Jan
Highland Village/Upper Kirby/West U	The Grey House	279	16-Jan
Katy/Cinco Ranch/WaterSide	Haven At Highland Knolls	171	16-Jan
Med Center/Braes Bayou	Haven At Main	256	16-Jan
Brookhollow/Northwest Crossing	Haven On 11th	120	16-Jan
Conroe North/Montgomery	Heritage Plaza	80	16-Jan
Montrose/Museum/Midtown	Le Palais	165	16-Jan
Med Center/Braes Bayou	The Millennium Kirby	378	16-Jan
Katy/Cinco Ranch/WaterSide	Stratus Cinco Ranch	300	16-Jan
Galleria/Uptown	Tuscany Walk	150	16-Jan
Tomball/Spring	Bridgeview	324	16-Feb
Woodlands/South Conroe	Broadstone Woodmill Creek	380	16-Feb
Tomball/Spring	Domain At Northgate Crossing	306	16-Feb
Heights/Washington Ave	Elan Heights	326	16-Feb
Katy/Cinco Ranch/WaterSide	Greenhouse	400	16-Feb
Montrose/Museum/Midtown	Lofts At Mid Main	363	16-Feb

SOURCE Apartment Data Services, Transwestern; list includes communities with move-ins through 02/2016
NOTE Submarket names have changed due to renaming and redrawing of boundaries per ADS

CONTACT

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Kevin Roberts
President, Southwest
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METHODOLOGY

The information in this report is the result of a compilation of information on office, industrial, retail and multifamily properties located in the Houston metropolitan area. This report includes single-tenant, multi-tenant and owner-user properties and excludes properties owned and occupied by a government agency.



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(b) Indemnification. Owner and Broker each hereby agrees to defend, indemnify, and hold harmless the other from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing representations and warranties made by the indemnifying party.

8. Pursuant to the provisions of Chapter 62 of the Texas Property Code, Broker is entitled to and hereby claims its right to a broker's lien based upon the provisions of this Agreement.
9. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. To facilitate execution of this Agreement, the parties may execute and exchange by facsimile or other electronic means counterparts of the signature pages.

Effective as of the _____ day of _____, 2016.

BROKER: TRANSWESTERN PROPERTY COMPANY SW GP, L.L.C.,
d/b/a TRANSWESTERN

By: _____
Kevin Roberts
President | Southwest Region
1900 West Loop South, Suite 1300
Houston, TX 77027
License # 466196

OWNER:

By: _____
Title: _____

EXHIBIT “A”
Page 1



TRANSWESTERN PROPERTY COMPANY SW GP, L.L.C.

SALE/LEASE AMERICAN'S WITH DISABILITIES ACT,
HAZARDOUS MATERIALS AND TAX DISCLOSURE

The Americans with Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. The real estate brokers in this transaction are not qualified to advise you as to what, if any, changes may be required now, or in the future. Owners and tenants should consult the attorneys and qualified design professionals of their choice for information regarding these matters. Real estate brokers cannot determine which attorneys or design professionals have the appropriate expertise in this area.

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and may need to be specifically treated/handled or removed. For example, some transformers and other electrical components contain PCB's, and asbestos has been used in components such as fire-proofing, heating and cooling systems, air duct insulation, spray-on and tile acoustical materials, linoleum, floor tiles, roofing, dry wall and plaster. Due to prior or current uses of the Property or in the area, the Property may have hazardous or undesirable metals (including lead based paint), minerals, chemicals, hydrocarbons, or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Real estate agents have no expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of the Seller/Lessor and Buyer/Tenant to retain qualified experts to detect and correct such matters and to consult with legal counsel of their choice to determine what provisions, if any, they may wish to include in transaction documents regarding the Property.

Sale, lease and other transactions can have local, state and federal tax consequences for the seller/lessor and or buyer/tenant. In the event of a sale, Internal Revenue Code Section 1445 requires that all buyers of an interest in any real property located in the United States must withhold and pay over to the Internal Revenue Service (IRS) an amount equal to ten percent (10%) of the gross sales price within ten (10) days of the date of the sale unless the buyer can adequately establish that the seller was not a foreigner, generally by having the seller sign a Non-Foreign Seller Certificate. Note that depending upon the structure of the transaction, the tax withholding liability could exceed the net cash proceeds to be paid to the seller at closing. Consult your tax and legal advisor. Real estate brokers are not qualified to give legal or tax advice or to determine whether any other person is properly qualified to provide legal or tax advice.

SELLER

By: _____

Title: _____

Co. Name: _____

Date: _____

PURCHASER

By: _____

Title: _____

Co. Name: _____

Date: _____

K:\Lisa_Bakend-CARLOS & DAVID FLYERS\1a - Lessor/Broker Disclosure_HA2_ADA_Code 1445 Generic For FLYERS\TW.doc



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Transwestern Property Company <u>SW, GP, LLC d/b/a Transwestern</u> Licensed Broker/Broker Firm Name or Primary Assumed Business Name	<u>466196</u> License No.	<u>steve.ash@transwestern.com</u> Email	<u>713-270-7700</u> Phone
<u>Stephen C. Ash</u> Designated Broker of Firm	<u>392519</u> License No.	<u>steve.ash@transwestern.com</u> Email	<u>713-270-7700</u> Phone
<u>A. David Schwarz III, SIOR</u> <u>Carlos P. Bujosa</u> Licensed Supervisor of Sales Agent/ Associate	<u>156675</u> <u>279938</u> License No.	<u>david.schwarz@transwestern.com</u> <u>carlos.bujosa@transwestern.com</u> Email	<u>713-270-3371</u> <u>713-272-1289</u> Phone
<u>A. David Schwarz III, SIOR</u> <u>Carlos P. Bujosa</u> Sales Agent/Associate's Name	<u>156675</u> <u>279938</u> License No.	<u>david.schwarz@transwestern.com</u> <u>carlos.bujosa@transwestern.com</u> Email	<u>713-270-3371</u> <u>713-272-1289</u> Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

TAR 2501

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SECTION IX

HOUSTON OUTLOOK 4th QUARTER - 2015

NOTES

