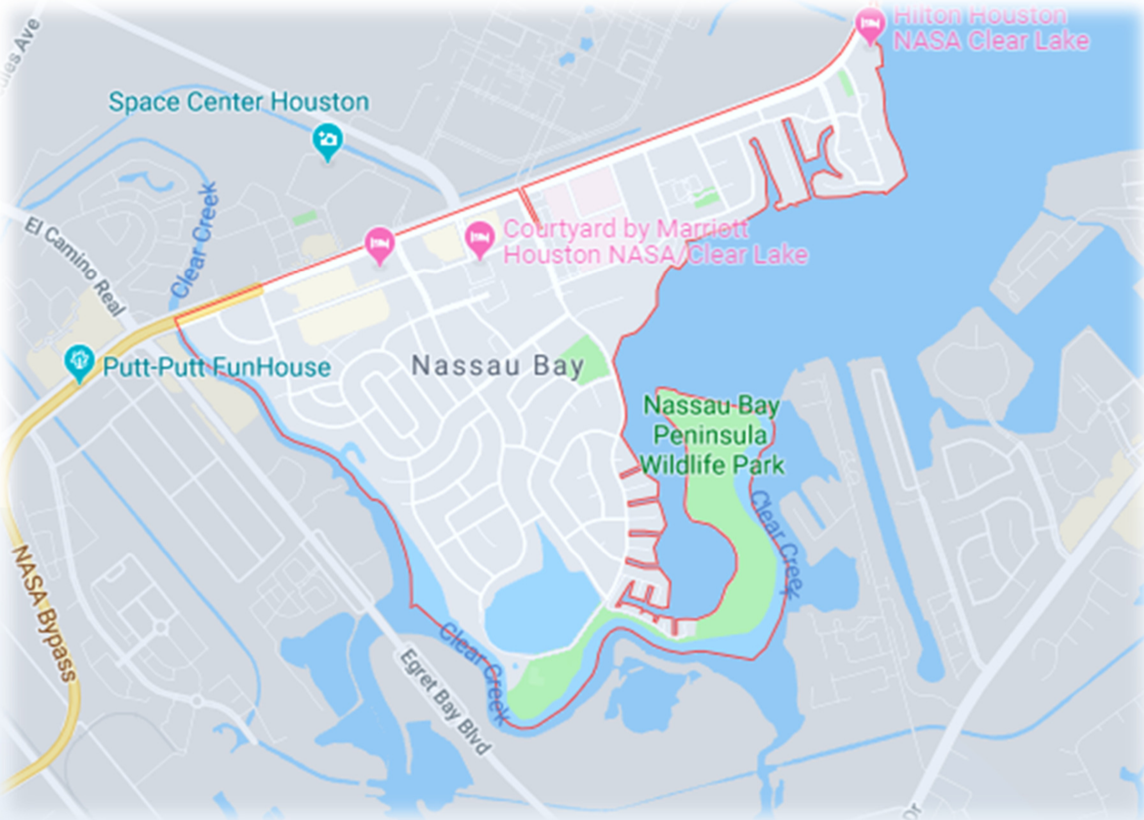
MARKET DEMAND STUDY

HOUSING AND RETAIL POTENTIAL

NASSAU BAY, TEXAS



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INTRODUCTION

Community Development Strategies (CDS) was asked by the City of Nassau Bay to conduct an independent market study that will identify market needs, address future opportunities and document support for retail and housing development in Nassau Bay.

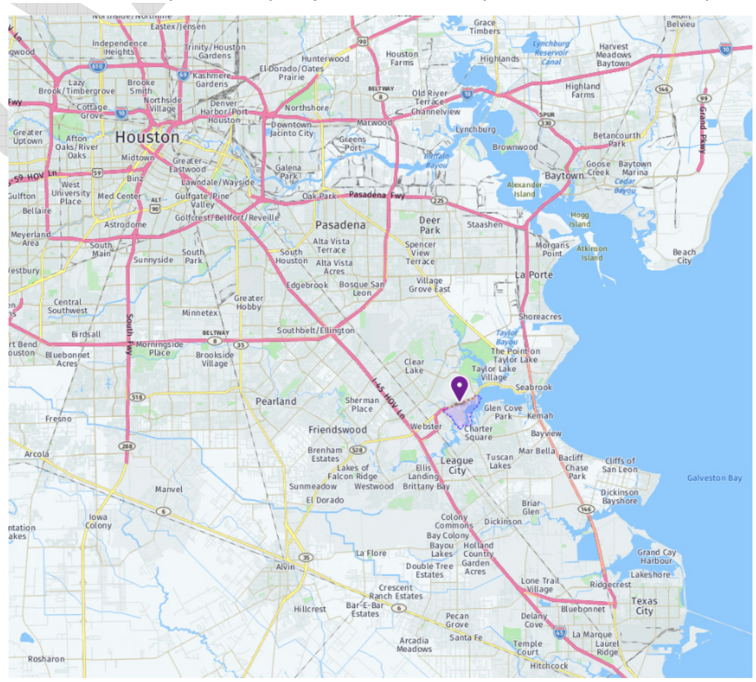
Generally, the assessment will determine the degree to which the trade area is overbuilt, experiencing leakage and underserved in certain categories of goods and services. The resulting report will be appropriate for internal planning purposes, presentations and direct marketing to retailers, service providers, restaurateurs, commercial real estate brokers and land developers.

CDS will also conduct an on-line survey among the resident population to gain an understanding of existing shopping habits (businesses and locations now patronized, frequency, reasons, etc.), store preferences and perceived (unmet) retail needs.

As an add-on, CDS will also perform a ***ResIntel*** (residential intelligence) analysis concerning current and future demand for housing in terms of type, quantity and price ranges. The underlying framework for real estate market analysis is the evaluation of supply and demand within the context of the economic conditions and trends that influence development opportunities in a reasonable market area. The study will investigate the nature and magnitude of demand for all types of housing deemed to be needed in Nassau Bay. The ensuing report/plan will present conclusions and recommendations describing realistic target opportunities for redevelopment and new development to fulfill current and future needs. The survey also addressed housing needs.

NASSAU BAY

Nassau Bay is a small suburban city in Harris County, Texas, United States, bordering the southeastern edge of the city of Houston. It is located in the Clear Lake Area near Galveston Bay, directly adjacent to the Lyndon B. Johnson Space Center.



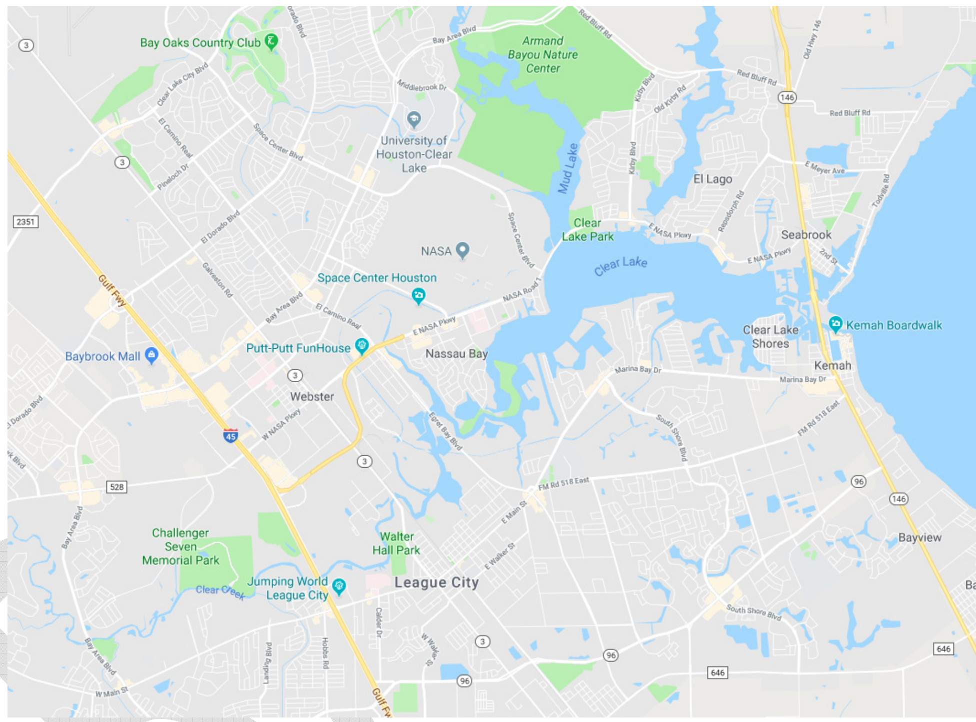
Nassau Bay is nearly two square miles, of which 1.33-miles is land. Nassau Bay is surrounded on three sides by water, including Clear Lake, Clear Creek and Cow Bayou.

Colonel Raymond Pearson established the Spirit of 1776 Ranch on what would become Nassau Bay. In 1962, a community was planned which would be an exclusive residential and commercial area emphasizing its pioneers and at a then-staggering cost of $49 million. In 1962 construction of Nassau Bay began and the first residents moved to Nassau Bay in 1964; its initial population was 400. It was developed by Ernest W. Roe Company, with Thompson McCleary of

Caudill, Rowlett, and Scott providing architectural services and Nassau Bay Development Associates establishing the development. The name was chosen by the developers because of the tropical feeling it generated. At the time, NASA was moving personnel from several areas in the United States with a high quality of life, including California and, notably, Florida.

In 1968 the community had 2,979 residents. The city incorporated in 1970. The population was 6,702 in 1980, 4,526 in 1982, 4,506 in 1991, and 4,170 in 2000.

NASA/Johnson Space Center



NASA's Johnson Space Center has served as a hub of human spaceflight activity for more than half a century. It is home to the nation's astronaut corps, the International Space Station mission operations, the Orion Program, and a host of future space developments.

Nassau Bay was established to accommodate Johnson Space Center and provide a community for astronauts, space professionals, and their families. Today, more than 60 Nassau Bay residents have visited space, and a few have walked the moon.

The Johnson Space Center was established in 1961 as the Manned Spaceflight Center, the home and Mission Control Center for the U.S. human space flight program. In 1973, it was renamed in honor of the late President, and Texas native, Lyndon B. Johnson.

The Johnson Center's $1.5 billion complex occupies 1,620 acres southeast of downtown Houston, in the Clear Lake area.

In its early days, the center led the Gemini, Apollo, and Skylab projects. JSC presently serves as the home of mission control, NASA's lead for International Space Station operations and missions, home to the Orion Multi-purpose crew vehicle, and numerous advanced human exploration projects. The center also plays an important role in NASA's Commercial Crew programs.

As the center has evolved into one of NASA's largest research and development facilities, the greater Houston area has developed into an aerospace hub with an identity of amazing achievements, hard work, and innovation.

Moon 2024

NASA is buzzing with excitement these days about its ambitious new mission to return to the moon — this time to stay.

The agency set an aggressive timetable to have the Gateway space station orbiting the moon by 2024, then begin ferrying astronauts from the station to the lunar surface sometime after 2026.

Gateway also will serve as an outpost for deep space science and exploration, including a manned mission to Mars in the 2030s, according to NASA.

In order to best accomplish our goals in the next five years, NASA is now going forward to the Moon in two phases.

“First, we are focused on speed to land the next man, and first woman, on the Moon by 2024. Second, we will establish sustainable missions by 2028. To do that, we need our powerful Space Launch System to put the mass of reusable systems into deep space,” he said.

NASA will soon begin sending science and technology investigations to the lunar surface through its Commercial Lunar Payload Services (CLPS). By the time NASA sends crew to the Moon, many CLPS deliveries will be complete, with the first one happening by the end of this year if a commercial lander is ready.

“Using new landers, robots and eventually humans, we will conduct science and technology demonstrations across the entire lunar surface of the Moon to learn more about resources on the Moon and how we can use them for future exploration,” said Bridenstine. “We will move forward to the Moon, this time to stay. And then we’ll take what we learn on the Moon, and go to Mars.”

The president’s direction from Space Policy Directive-1 galvanizes NASA’s return to the Moon and builds on progress on the Space Launch System rocket and Orion spacecraft, collaborations with U.S industry and international partners, and knowledge gained from current robotic assets at the Moon and Mars.

Space Center Houston

The Official Visitor Center of NASA Johnson Space Center, is Houston’s No. 1 attraction for international visitors in the greater Houston area.

The Manned Space Flight Education Foundation is a 501(c)(3) nonprofit educational foundation offering extensive science education programs and a space museum. The cornerstone of its education mission is Space Center Houston, a leading science and space exploration learning center. It is one of Houston’s top attractions, the area’s No. 1 attraction for international visitors, the Official Visitor Center of NASA Johnson Center and a Smithsonian Affiliate.

The center features more than 400 space artifacts, permanent and traveling exhibits, exhibits and experiences and theaters related to the exciting future and remarkable past of America’s human space-flight program – all for one admission price. The experience is designed to engage adults and children alike

Space Center Houston is the home of the international landmark Independence Plaza, the only place in the world where you can enter a space shuttle replica resting on top of the original shuttle carrier aircraft, NASA 905. The exhibit immerses visitors in the science and history of the shuttle era and gives them a rare glimpse into the ingenuity, breakthroughs and technological advances which impacted the future of exploration. Only at Space Center Houston can visitors walk through the flight deck, mid-deck and payload bay of a shuttle replica and the seven dynamic areas within the aircraft.

Space Center Houston's most popular attraction, the NASA Tram Tour is your chance to go on site at NASA Johnson Space Center and get a behind-the-scenes look at human space exploration. Explore Rocket Park, where one of only three of the remaining actual Saturn V rockets is displayed. Visit Historic Mission Control from which NASA led Gemini and Apollo missions, including the first lunar landing. Discover the Space Vehicle Mockup Facility where NASA astronauts train and where scientists are developing the next generation of space exploration vehicles.

Just announced (May 2019), Space Center Houston's newest exhibit will showcase a SpaceX Falcon 9 first stage booster rocket this summer. The rocket will be displayed horizontally to allow visitors to walk underneath it. According to SCH, the booster launched in June 2017 in support of the commercial resupply mission and landed successfully on Earth. When the booster was flown a second time in December 2017, it marked the first time a refurbished booster was used for a NASA mission.

It's one of only two SpaceX Falcon 9 boosters on display and the first commercial space exhibit for Space Center Houston.

Tourism

The nonprofit Space Center Houston draws more than 200,000 teachers and students from around the world annually to take part in its extraordinary learning opportunities. Students train underwater like an astronaut and discover space science through immersive, hands-on activities in year-round educational programs like Space Center University.

According to Tracy Lamm, COO of Space Center Houston, there are **1.1 million guests annually**. Each day is different, as they do not have a typical attendance day. Space Center Houston does see a greater number of guests around all holidays, spring break, etc.

Traffic Counts

Although the population of Nassau Bay is around 5,000, the traffic generated in the area is eight times greater. Along Nasa Boulevard, the traffic is as high as 40,624.

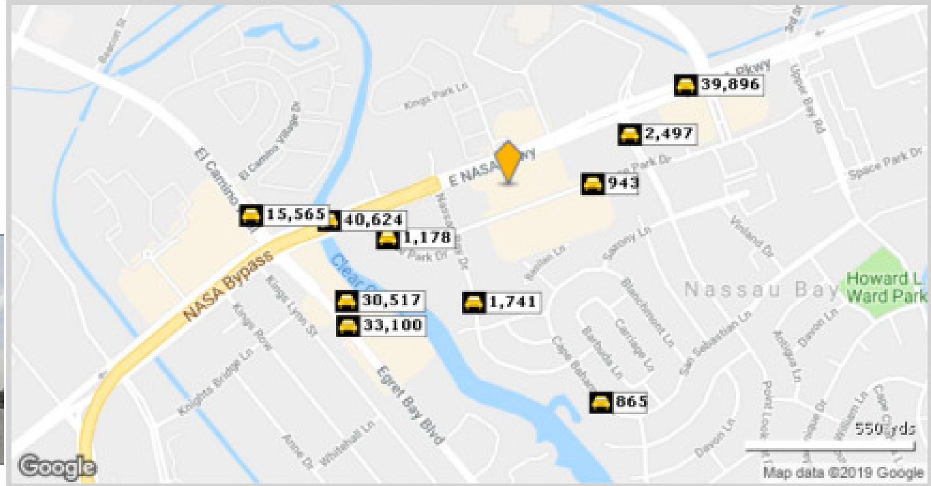
Figure 1: Nassau Bay Traffic Counts

Traffic Count Report

Nassau Bay Gateway Plaza

1354 Nasa Blvd, Houston, TX 77058

Building Type: **General Retail**
Secondary: **Freestanding**
GLA: **13,000 SF**
Year Built: **2007**
Total Available: **0 SF**
% Leased: **100%**
Rent/SF/Yr: **-**



	Street	Cross Street	Cross Str Dist	Count Year	Avg Daily Volume	Volume Type	Miles from Subject Prop
1	Space Park Dr	Point Lookout Dr	0.11 NE	2018	943	MPSI	.16
2	Nassau Bay Dr	Space Park Dr	0.10 N	2018	1,741	MPSI	.22
3	Space Park Dr	E Nasa Pkwy	0.06 NW	2018	1,178	MPSI	.24
4	Point Lookout Dr	E Nasa Pkwy	0.04 NW	2018	2,497	MPSI	.25
5	E Nasa Pkwy	Space Park Dr	0.09 NE	2018	40,624	MPSI	.34
6	Egret Bay Blvd	E Nasa Pkwy	0.16 NW	2014	30,517	MPSI	.37
7	E Nasa Pkwy	Saturn Ln	0.04 NE	2018	39,896	MPSI	.39
8	Egret Bay Blvd	E Nasa Pkwy	0.20 NW	2018	33,100	MPSI	.40
9	Cape Bahamas Ln	San Sebastian Ln	0.08 SE	2018	865	MPSI	.44
10	el Camino Real	E Nasa Pkwy	0.07 SE	2018	15,565	MPSI	.49

5/15/2019

Vacant Land

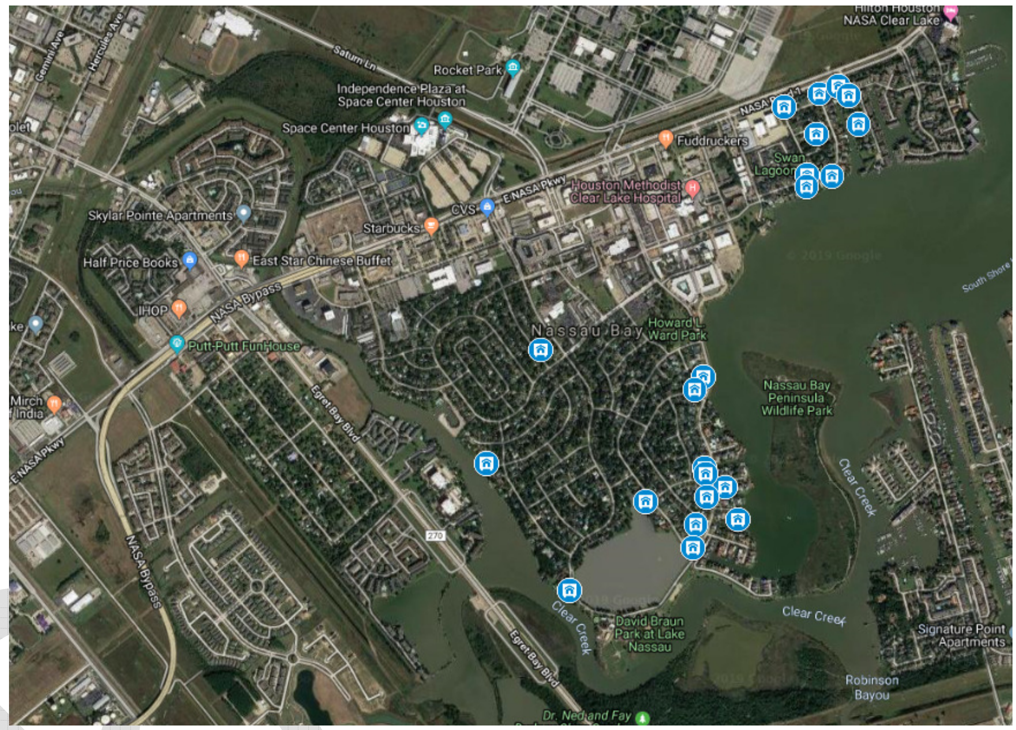
Due to the small size of Nassau Bay, 2 square miles, land is a commodity on this market. As provided by the City, there is currently 22 vacant lots in the City of Nassau Bay. The lots are all zoned "residential". They are as follows:

2019 - Vacant Lots

All items

- 18518 Upper Bay Rd
- 18506 Prince William Ln
- 2006 Port Royal Dr
- 18646 Upper Bay Rd
- 18650 Upper Bay Rd
- 18710 Upper Bay Rd
- 2014 Sea Cove Ct
- 18730 Prince William Ln
- 18743 Martinique Dr
- 18662 Martinique Dr
- 18323 Hereford Ln
- 1300 Davon Ln
- 0 Pt Lookout Dr
- 2461 Baycrest Dr
- 2430 Baycrest Dr
- 2510 Baycrest Dr
- 2510 Dauphin Ct
- 0 Lazy Lake Dr
- 2527 Lazy Lake Dr
- 2611 Lazy Lake Dr
- 110 Sandy Cove Dr
- 130 Sandy Cove Dr

Figure 2: Map of Vacant Land

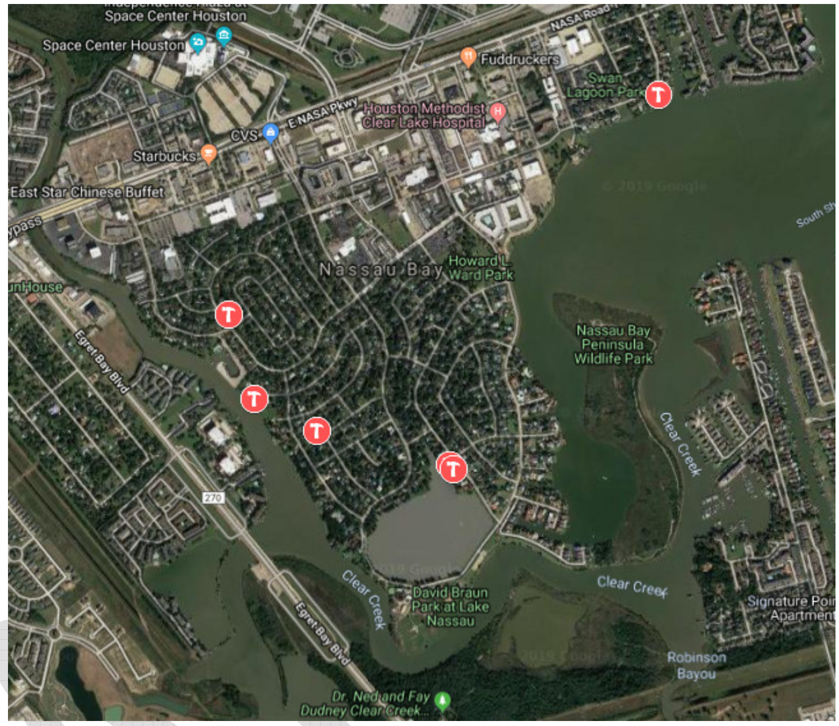


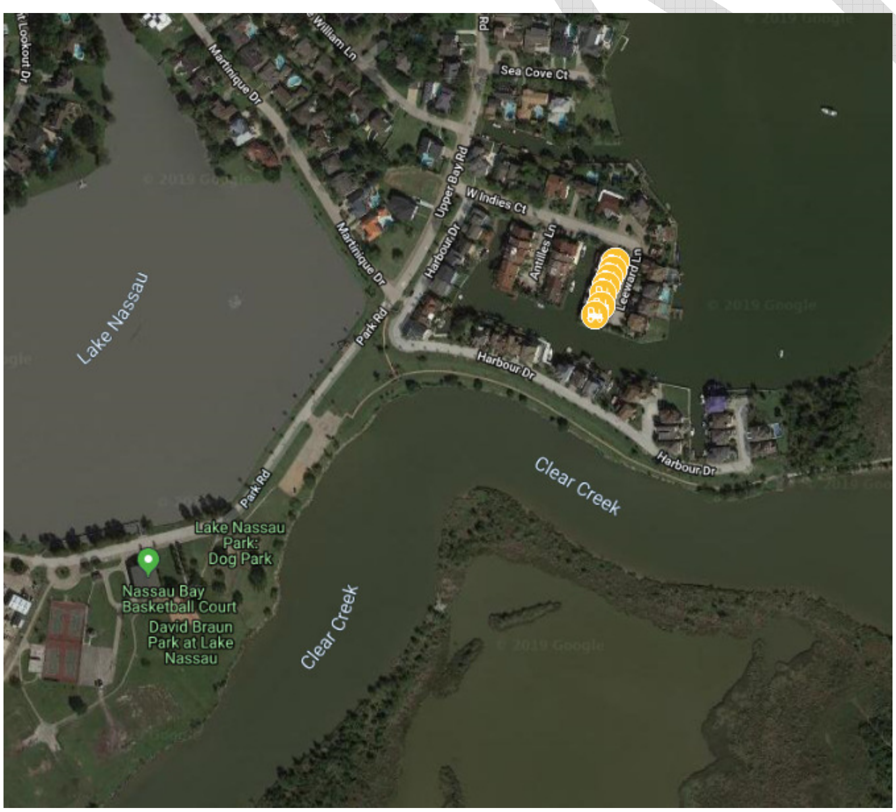
Code Enforcement Demolition

There are six properties on the demolition list. The homes located on Baycrest, Martinique, and Antigua are being demolished due to Hurricane Harvey. Cape Bahamas and Capetown are code enforcement rehab demolitions. These homes should be demolished within 2 years according to the City. At that time, the owner will be able to sell the lot or rebuild after paying the City liens.

All items

- 1302 Antigua Ln
- 18702 Martinique Dr
- 18706 Martinique Dr
- 18223 Cape Bahamas Ln
- 18502 Capetown Dr
- 2514 Baycrest Dr





FEMA Buyout

The seven houses along Leeward Lane are on the scheduled FEMA Buyout due to Harvey. These homes will be demolished and become public green space in perpetuity.

All items

- 16 Leeward Ln
- 18 Leeward Ln
- 20 Leeward Ln
- 22 Leeward Ln
- 22 Leeward Ln
- 24 Leeward Ln
- 26 Leeward Ln

RECENT ANNOUNCEMENTS/ACQUISITIONS

- In 2016, Houston Methodist Hospital acquired the **Nassau Bay Shopping Village,** 18021–18091 Upper Bay Rd. in Nassau Bay. The 101,759-sf shopping center situated on 7.8 acres sits adjacent to the Houston Methodist Clear Lake Campus in Nassau Bay. Colliers International has assumed leasing and property management responsibilities of the center on behalf of Houston Methodist Hospital.

- Houston Methodist Clear Lake Campus will begin its planned expansion in August 2019 starting with construction of a six-story, 150,000sf medical office building on land that was part of the Nassau Bay Shopping Village. The $40 million medical office building will house Houston Methodist Orthopedics and Sports Medicine, physical therapy as well as additional physician offices. This will be the first expansion.
- The hospital will add 2,000 parking spaces over the next 8 years. An addition to the ER and a Transitional Center is also planned.
- Houston Methodist Clear Lake Campus purchased **Fuddruckers** on 1.28 acres at 2040 NASA Parkway in Nassau Bay. The acquisition of the property will help accommodate the hospital's growth. Fuddruckers will continue operations in this location until Q3 2019.
- Nassau Bay hosted a ceremony Jan. 2019 to celebrate the grand opening of the first new fire station in the city in nearly 40 years. The station is located at 18295 Upper Bay Road. The $4.1 million, 17,400-square-foot facility comes equipped with the latest in fire and emergency services technology. The station includes four double-length, drive-through bays; offices; rooms for communications, exercise and training; a full kitchen; and living quarters, according to the release.

- A new multi-tenant building, 6,500 SF, will be available for lease at **1360 NASA Parkway** in Nassau Bay; completion is expected June 2019. The current structure on the site will be demolished.
- Work continues on **The Caroline**, a Finger Cos. project. The luxury apartments are being built on 8.5 acres at 1235 NASA Parkway at Nassau Bay Drive. Planned are 334 units. Luxury amenities include a fitness center, three courtyard swimming pools – one will be a heated lap pool, a library, air-conditioned interior corridors, and gas/stainless/granite kitchens.
- **Salvation Army** recently announced they will be vacating Nassau Bay. Their focus will be more on recovery not retail. Erma's will take over this space with a new redesign.

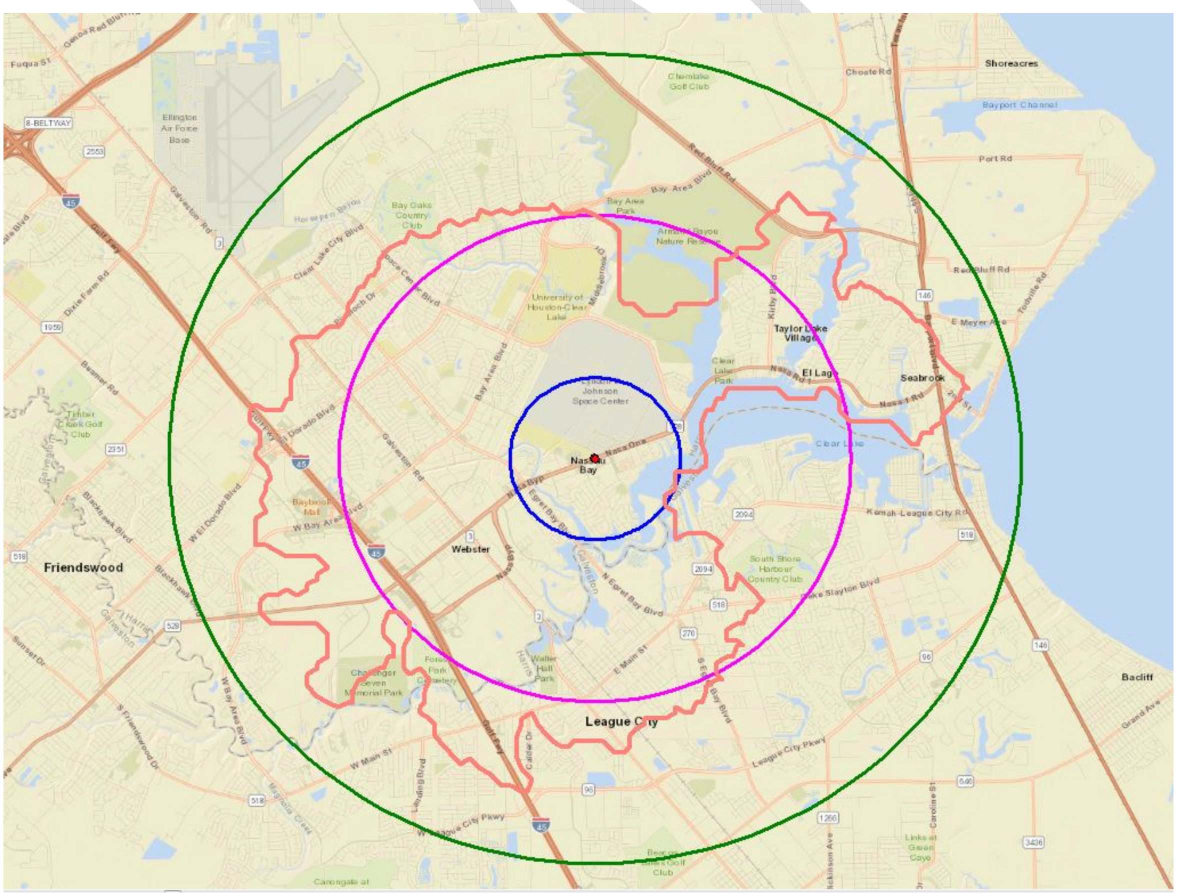
COMPETITIVE MARKET AREA

As part of this market research process, CDS was tasked with formulating a primary Competitive Market Area (CMA) or trade area. The trade area for retail varies substantially – based on the type of goods and services available in the community and competitive areas. A retail trade area is determined by the largest distance consumers are willing to travel to buy retail goods and services. The size of a retail trade area varies widely depending on the specific goods and services being offered and the location of competing retail stores.

Studies have found that consumers will typically travel longer distances to purchase durable goods (cars, trucks, home furnishings, major apparel etc.) than to purchase non-durable, less costly goods, such as gasoline, everyday apparel, drugs, household products, and groceries. Consumers will also travel longer distances to buy at retail outlets with a wider selection of product and with lower prices.

According to interviews with brokers, retail consultants and retail publications, the delineation of trade areas varies with each retailer and location. CDS has determined that the trade area (CMA) for Nassau Bay is a 3-mile radius. The following map shows the 1-mile (blue), 3-mile (pink), 5-mile (green), and 10-minute drive time (coral) for purposes of illustration.

Figure 3: Competitive Market Area



The 1-mile radius includes zip code 77058. The 3-mile radius includes 77058 and portions of 77062, 77598, 77573, 77565, and 77586. The 10-minute drive time includes all of the 3-mile radius plus a small portion of 77059. The 5-mile radius includes 77058, 77565, 77573, 77598, 77062 and portions of 77586, 77507, and 77505. The boundaries are shown on the map below.

Figure 4: Zip Code Map

Demographic and Economic Analysis

CDS researched primary and secondary data sources to provide a current demographic and economic portrait of the area. Past, present and future figures were estimated by utilizing data from the following sources: US Census, American Community Survey, Nielsen/Claritas 2018 Estimates – PCensus for ArcView (hereafter referred to as "PCensus") and CDS Community Development Strategies.

Understanding the economic and demographic trends for an area is an important element in assessing the market demand for various land uses.

Population Characteristics

This section examines the historical population growth, current population estimates, ethnic makeup, household size, educational attainment, current household income, employment, and income trends of Nassau Bay including the 1, 3, and 5-mile radius along with the 10-minute drive time. CDS has also included Galveston County.

Historical Population Growth and Current Estimates

Currently 9,650 persons live within a 1-mile radius of Nassau Bay. According to data from the US Census, population in a 1-mile radius of Nassau Bay increased significantly from 2010 to 2019 (27.0%). The 3-mile radius also saw an increase in population but at a lesser percentage as did the 5-mile and Galveston County.

Table 1: Population and Households, 2000 to 2024

Population	City of Nassau Bay	1-Mile	CMA 3-Mile	5-Mile	10-Minute Drive Time	Galveston Co.
2024 Projection	5,483	10,445	76,764	208,668	100,781	370,292
2019 Estimate	5,084	9,650	71,398	193,164	93,878	343,368
2010 Census	4,002	7,883	62,344	165,805	82,604	291,309
2000 Census	4,170	6,732	55,340	138,311	73,708	250,155
Growth 2010-2019	27.0%	22.5%	14.5%	16.7%	13.7%	17.8%
Households	**City of Nassau Bay**	**1-Mile**	**CMA 3-Mile**	**5-Mile**	**10-Minute Drive Time**	**Galveston Co.**
2024 Projection	2,660	5,142	33,774	82,169	42,904	137,149
2019 Estimate	2,458	4,769	31,384	76,255	39,984	127,280
2010 Census	1,925	3,953	27,402	66,130	35,313	108,969
2000 Census	2,049	3,363	24,059	54,573	31,628	94,782
Growth 2010-2019	27.6%	20.7%	14.4%	15.4%	13.2%	16.8%

Source: US Census, American Community Survey, Nielsen/Claritas 2019 Estimates – PCensus for ArcView (hereafter referred to as PCensus)

The following table breaks down the population growth by age groups. The 10-minute drive time saw the largest increase in population.

- The 1-mile radius saw the largest decrease (-3.4%) in one age group, ages 21 to 24. The largest increase was in ages 65 to 74.

- Interestingly, the 3-mile radius saw a large decrease (-2.64%) in ages 45 to 54 as did the 10 minute drive time (-2.59%). Increases in these radius' were both in ages 65 to 74.

Table 2: Population by Age, 2010 to 2019

Population By Age	1-Mile			CMA 3-mile			10-Minute Drive Time		
	2010	2019	Change	2010	2019	Change	2010	2019	Change
Total Population	7,883	9,650	1,767	62,344	71,398	9,054	82,604	93,878	11,274
Age 0 to 4	6.14%	5.30%	-0.84%	5.82%	5.34%	-0.48%	6.12%	5.65%	-0.47%
Age 5 to 9	4.27%	5.59%	1.32%	5.53%	5.50%	-0.03%	5.91%	5.83%	-0.08%
Age 10 to 14	4.49%	5.44%	0.95%	5.92%	5.62%	-0.30%	6.26%	5.94%	-0.32%
Age 15 to 17	2.26%	2.94%	0.68%	3.85%	3.62%	-0.23%	4.14%	3.86%	-0.28%
Age 18 to 20	3.04%	2.93%	-0.11%	3.50%	3.50%	0.00%	3.60%	3.68%	0.08%
Age 21 to 24	8.11%	4.67%	-3.44%	6.65%	5.16%	-1.49%	6.53%	5.27%	-1.26%
Age 25 to 34	18.48%	15.86%	-2.62%	16.00%	15.48%	-0.52%	16.01%	15.38%	-0.63%
Age 35 to 44	12.72%	13.99%	1.27%	13.10%	13.42%	0.32%	13.36%	13.59%	0.23%
Age 45 to 54	14.58%	12.07%	-2.51%	15.52%	12.88%	-2.64%	15.52%	12.93%	-2.59%
Age 55 to 64	12.51%	13.69%	1.18%	11.67%	13.54%	1.87%	11.40%	13.29%	1.89%
Age 65 to 74	7.92%	10.58%	2.66%	7.34%	9.52%	2.18%	6.70%	8.97%	2.27%
Age 75 to 84	4.09%	5.20%	1.11%	3.69%	4.54%	0.85%	3.35%	4.09%	0.74%
Age 85 and over	1.39%	1.73%	0.34%	1.41%	1.88%	0.47%	1.10%	1.52%	0.42%
Median Age	**37.5**	**40.2**	2.7	**37.0**	**39.3**	2.3	**36.1**	**38.2**	2.1

Source: US Census, American Community Survey, Nielsen/Claritas 2019 Estimates – PCensus

Population By Race

- All areas are predominantly white
- Asians are the next largest population
- Hispanics make up about 20% of the population

Table 3: Population by Race 2019

2019 Est. Population by Single-Classification Race	1-Mile 9,650	CMA 3-mile 71,398	10-Minute Drive 93,878
White Alone	73.00%	72.14%	70.57%
Black or African American Alone	7.73%	8.31%	8.64%
American Indian and Alaska Native Alone	0.80%	0.47%	0.50%
Asian Alone	9.07%	8.02%	8.98%
Native Hawaiian and Other Pacific Islander Alone	0.22%	0.10%	0.09%
Some Other Race Alone	4.63%	7.35%	7.39%
Two or More Races	4.55%	3.62%	3.83%
2019 Est. Population Hispanic or Latino by Origin	**1-Mile**	**CMA 3-mile**	**10-Minute Drive**
Not Hispanic or Latino	79.93%	78.14%	77.75%
Hispanic or Latino	20.07%	21.86%	22.25%

Source: US Census, PCensus

Educational Attainment

- All areas have approximately 25% of the population with Bachelors' degree or higher
- Roughly 24% of have no high school diploma

Table 4: Educational Attainment of Population 25+ Years Old, 2019

Category	1-Mile 7,056	CMA 3-mile 50,880	10-Minute Drive 65,500
Less than 9th grade	4.92%	3.47%	3.27%
Some High School, no diploma	3.25%	3.75%	3.86%
High School Graduate (or GED)	13.29%	16.53%	16.64%
Some College, no degree	29.82%	24.23%	23.91%
Associate Degree	7.82%	10.59%	10.36%
Bachelor's Degree	24.69%	27.05%	27.52%
Master's Degree	12.38%	10.16%	10.44%
Professional School Degree	1.80%	2.10%	1.95%
Doctorate Degree	2.03%	2.10%	2.05%

Source: US Census, American Community Survey, PCensus

Household Size

The following table provides statistics on the various household sizes contained within the outlined geographies. The majority of the households are 1 and 2 persons. The areas are similar in household size with the 1-mile radius having the slightly lower household size at 2.02.

Table 5: Household Size, 2019

Category	1-Mile	CMA 3-mile	10-Minute Drive
Total Households	4,769	31,384	39,984
1-person household	41.27%	35.33%	33.59%
2-person household	33.88%	32.99%	32.33%
3-person household	12.81%	14.37%	15.08%
4-person household	7.60%	10.16%	11.18%
5-person household	2.79%	4.57%	4.98%
6-person household	1.17%	1.66%	1.83%
7+ household	0.49%	0.92%	1.01%
Estimated HH Size	**2.02**	**2.25**	**2.33**

Source: US Census, American Community Survey, PCensus

Employment and Economy

This section provides local employment and economic statistics—key indicators used to examine the development potential of an area.

Employment by Occupation and Classification

The 1-mile radius has the highest percentage of Food prep/Serving employees followed by Sales/Related. The largest percentage of Management employees are found in the 10-minute drive time radius. Despite several hospitals in the large area, the percentage of Healthcare employees is low (5-7%).

Table 6: Employed Population by Occupation

	1-Mile	CMA 3-mile	10-Minute Drive
2019 Est Civ Employed Pop 16+	**5,343**	**38,593**	**50,459**
Architect/Engineer	5.57%	4.42%	4.72%
Arts/Entertainment/Sports	1.00%	1.73%	1.70%
Building Grounds Maintenance	3.36%	3.52%	3.21%
Business/Financial Operations	7.64%	5.52%	5.57%
Community/Social Services	1.18%	1.30%	1.25%
Computer/Mathematical	2.46%	3.29%	3.11%
Construction/Extraction	1.93%	3.54%	3.80%
Education/Training/Library	7.50%	6.43%	6.46%
Farming/Fishing/Forestry	0.04%	0.04%	0.04%
Food Prep/Serving	15.14%	9.32%	8.47%
Healthcare Practitioner/Technician	4.57%	6.76%	6.92%
Healthcare Support	0.70%	1.58%	1.94%
Maintenance Repair	2.82%	3.23%	3.12%
Legal	1.34%	1.08%	1.10%
Life/Physical/Social Science	1.79%	1.22%	1.38%

2019 Est Civ Employed Pop 16+	1-Mile	CMA 3-mile	10-Minute Drive
	5,343	38,593	50,459
Management	9.25%	11.99%	12.07%
Office/Admin. Support	10.86%	10.41%	10.45%
Production	2.32%	3.40%	3.28%
Protective Service	1.38%	1.61%	1.49%
Sales/Related	13.51%	11.54%	11.29%
Personal Care/Service	1.97%	3.29%	3.32%
Transportation/Moving	3.66%	4.42%	5.31%
Blue Collar	10.73%	14.94%	15.51%
White Collar	66.68%	65.70%	66.03%
Service & Farm	22.59%	19.36%	18.47%

Source: US Census, PCensus

As shown, there are approximately 66% white collar workers in the 1, 3-mile, and 10-minute drive time. The 1-mile radius includes the lowest percentage of blue-collar workers.

Largest Employers

Information was obtained from employer representatives. Information on The List was supplied by individual companies through questionnaires and Houston Business Journal research. Companies with locations in the following cities were included: Baytown, Clear Lake, Dickinson, El Lago, Friendswood, Galveston, Kemah, La Porte, League City, Morgan's Point, Nassau Bay, Seabrook, Texas City and Webster.

Largest Galveston and Bay-Area Employers

Ranked by Local Employees

Rank	Company Name	Local Employees
1	**The University of Texas Medical Branch Health System** 301 University Blvd. Jennie Sealy Hospital Galveston, TX 77555 utmbhealth.com	8,990
2	**Clear Creek ISD** 2425 E. Main St. League City, TX 77573 ccisd.net	4,963 [1]
3	**Landry's Inc.** 1510 W. Loop S Houston, TX 77027 landrysinc.com	3,800 [4]
4	**NASA Johnson's Space Center Houston** 1601 NASA Parkway Houston, TX 77058 www.spacecenter.org	3,092 [2]
5	**Clear Lake Regional Medical Center** 500 Medical Center Blvd. Webster, TX 77598 clearlakermc.com	2,564
6	**Marathon Petroleum Corp.** **(Galveston Bay Refining Division)** 2401 5th Ave. S Texas City, TX 77590 marathonpetroleum.com	1,900 [1]
7	**Texas City ISD** [3] 1700 9th Ave. N. Texas City, TX 77590 www.tcisd.org	1,899 [1]
8	**American National Insurance Co.** 1 Moody Plz. Galveston, TX 77550 www.anico.com	1,600 [1]
9	**Galveston County** 722 Moody Ave. Galveston, TX 77550 galvestoncountytx.gov	1,425 [1]
10	**Galveston ISD** P.O. Box 660 Galveston, TX 77553 gisd.org	1,360 [1]

Employment Inflow and Outflow

To better understand local demand for various land uses, it is helpful to take a look at the jobs data provided by the Longitudinal Employer-Household Dynamic (LEHD), which is part of the US Census Bureau. While the most recent data available is from 2015 (and differs slightly from the employment estimates provided previously), it is still helpful in understanding present day commuting patterns.

Figure 5: Inflow/Outflow 1-Mile radius Nassau Bay

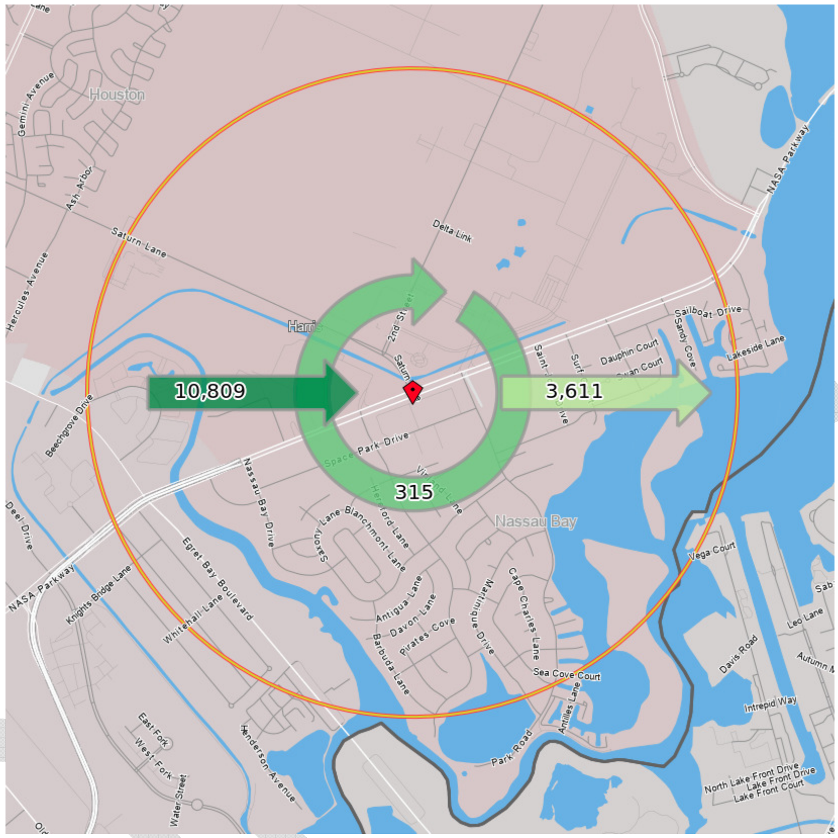


Table 7: Employment Inflow and Outflow, 2015

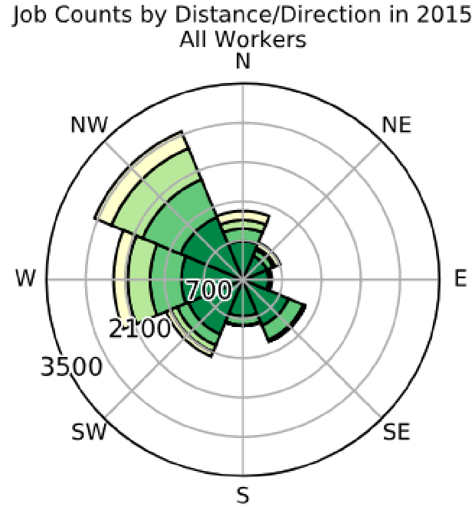
Employment Inflow/Outflow	#	%
Employed in the Area	11,124	100.0
Employed in the Area but Living Outside	10,809	97.2
Employed in the Area and Living Inside	315	2.8
Living in the Area	3,926	100.0
Living in the Area but Employed Outside	3,611	92.0
Living in the Area and Employed Inside	315	8.0

Source: US Census Longitudinal Employer-Household Dynamics, 2015
Note: 2015 is latest data available from the Census LEHD

The following figures utilizes LEHD data to provide a visualization of how far the workers travel from home to work in the Nassau Bay area and the number of jobs (concentration).

Approximately 58% of the workers travel less than 10 miles. The majority of these workers would be accounted for in the 5-mile and 10-minute drive time analysis zones.

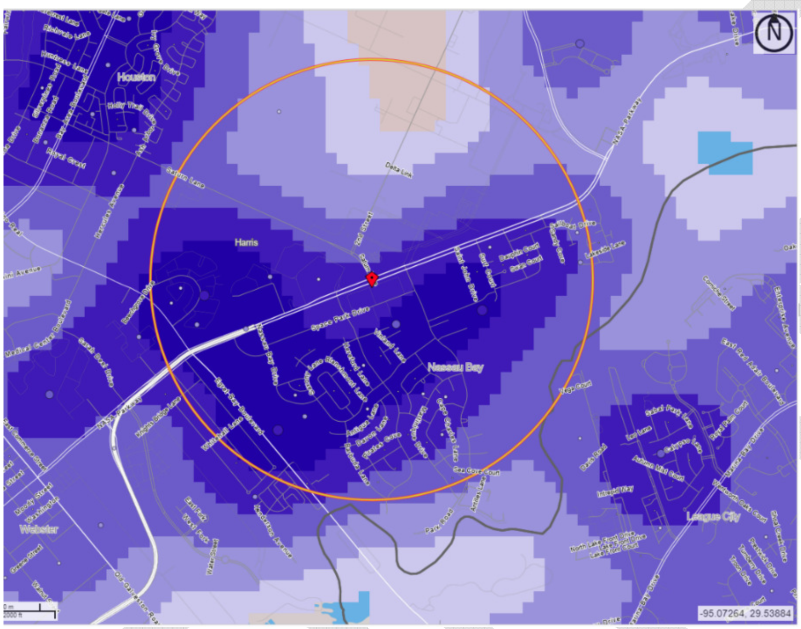
The purple diagram illustrates the concentration of jobs in the 1-mile radius. Not surprising its in the middle of the area (NASA).



View as Radar Chart

Jobs by Distance - Work Census Block to Home Census Block

	2015	
	Count	Share
Total Primary Jobs	11,124	100.0%
Less than 10 miles	6,494	58.4%
10 to 24 miles	2,294	20.6%
25 to 50 miles	1,368	12.3%
Greater than 50 miles	968	8.7%



Worker Age

	2015	
	Count	Share
Age 29 or younger	1,654	14.9%
Age 30 to 54	6,604	59.4%
Age 55 or older	2,866	25.8%

Earnings

	2015	
	Count	Share
$1,250 per month or less	878	7.9%
$1,251 to $3,333 per month	2,260	20.3%
More than $3,333 per month	7,986	71.8%

The majority of workers in the Nassau Bay area are age 30 to 54. Seventy-one percent of these earn more than $3,333 per month ($40,000).

Market Area Forecasts

Another way to define the market area is through Transportation Analysis Zones (TAZ) as defined by Houston Galveston Area Council (HGAC). An aggregation of their transportation analysis zones (TAZ) were used which closely resemble the area used for the CMA.

City of Nassau Bay

The first table uses projections from Claritas, a re-seller of PCensus for MapInfo, for the City of Nassau Bay on page 7. These forecasts are for the period 2019 to 2023 only and demonstrate an increase of 49 households per year.

Comparatively, the next table uses data from the Houston Galveston Area Council Forecast to 2030 using the TAZ zones defined above. Finally, CDS creates their own forecasts using HGAC data combined with our knowledge of the market (new developments).

The growth estimates from H-GAC are more than CDS for all categories except population. The key finding is that both of the forecasts are predicting a net gain in population and households in the coming years.

Over the next five years, Claritas projects an increase of 412 in population in the market area while H-GAC predicts 28 and CDS predicts -27.

Table 8: Market Area Forecasts – Nassau Bay (City)

Actuals and Projections from PCensus

	2018	2023	Increase 18-23	Annual Increase
Population	4881	5293	412	82.4
Households	2441	2686	245	49.0

Source: PCensus for MapInfo, Tetrad Computer Applications, 2017

Table 9: Projections for TAZ Zones

HGAC Forecast

Market Area	2015	2020	2025	2030
Population	3,905	3,873	3,846	3,762
Households	2,369	2,373	2,374	2,376
Employment	6,034	6,961	7,167	7,209

Source: Houston-Galveston Area Council, 2017

CDS Forecast

Market Area	2015	2020	2025	2030
Population	4,125	4,124	4,152	4,152
Households	1,955	1,954	1,966	1,966
Employment	4,474	4,661	4,784	5,082

Source: CDS, 2017

Average for All Forecasts

Market Area	2015	2020	2025	2030
Population	4,015	3,999	3,999	3,957
Households	2,162	2,164	2,170	2,171
Employment	5,254	5,811	5,976	6,146

Source: CDS

Using an average of the expected growth from the sources, the market area should be expected to add about 1 new person by 2020.

These estimates for population and household growth are conservative and can be viewed as lower end expectations relative to the growth that is likely to occur in this emerging market area. While some account for emerging patterns is in the projections, they are likely understated due to the nature of the emerging market.

We will use the averages of all sources in our analysis herein.

CMA 3-Mile Radius

The first table uses projections from Claritas, a re-seller of PCensus for MapInfo, for the CMA or 3-mile radius of the City of Nassau Bay on page 7. These forecasts are for the period 2019 to 2023 only and demonstrate an increase of 521 households per year.

Comparatively, the next table uses data from the Houston Galveston Area Council Forecast to 2030 using the TAZ zones defined above. Finally, CDS creates their own forecasts using HGAC data combined with our knowledge of the market (new developments).

The growth estimates from H-GAC are more than CDS for all categories except population. The key finding is that both of the forecasts are predicting a net gain in population and households in the coming years.

Over the next five years, Claritas projects an increase of 5,670 in population in the market area while H-GAC predicts 6,241 and CDS predicts 1,087.

Using an average of the expected growth from the sources, the market area should be expected to add about 3,664 new persons by 2020.

Table 10: Market Area Forecasts – Nassau Bay (3-mile radius)

Actuals and Projections from PCensus

	2018	2023	Increase 18-23	Annual Increase
Population	71,416	77,086	5,670	1,134
Households	31,596	34,199	2,603	521

Source: PCensus for MapInfo, Tetrad Computer Applications, 2018

Table 11: Projections for TAZ Zones

HGAC Forecast

Market Area	2015	2020	2025	2030
Population	69,369	75,610	78,259	81,906
Households	32,540	33,592	34,287	35,022
Employment	57,138	59,187	60,425	61,262

Source: Houston-Galveston Area Council, 2017

CDS Forecast

Market Area	2015	2020	2025	2030
Population	71,866	72,953	75,324	78,171
Households	31,744	32,162	33,086	34,182
Employment	49,370	50,328	51,601	53,917

Source: CDS, 2017

Average for All Forecasts

Market Area	2015	2020	2025	2030
Population	70,618	74,282	76,792	80,039
Households	32,142	32,877	33,687	34,602
Employment	53,254	54,758	56,013	57,590

Source: CDS

Housing Characteristics and Trends

The following tables and figures present information regarding the housing characteristics and trends in Nassau Bay, the CMA, and the 10-minute drive time for comparison purposes. The majority of this information is derived from the US Census and the American Community Survey, and in some cases, is self-reported data. While this can generate minor anomalies (such as are present in the data on age of housing stock or housing values), the information presented in this section still provides a valuable overview of the housing situation in the area. One important note to make is that the total housing unit number used in this section is an estimate.

Housing Profile

The majority of the housing units in the 1 and 3-mile radius areas are renter occupied. The median value in the 1-mile radius is $222,265 which is higher than the 3-mile or 10-minute drive.

There are 3,680 (68.7%) multi-family units (includes apartments, townhomes, condos, duplexes, triplexes, etc.) within a 1-mile radius of Nassau Bay.

Table 12: Housing Units

	1-Mile		CMA 3-mile		10-Minute Drive	
2018 Est. Occupied Housing Units by Tenure	**4,769**		**31,384**		**39,984**	
Owner-Occupied	1,955	40.99%	15,201	48.44%	20,186	50.48%
Renter-Occupied	2,814	59.01%	16,183	51.56%	19,798	49.52%
2018 Occupied Housing Units: Avg. Length of Residence						
Owner-Occupied	10		11		11	
Renter-Occupied	4		4		4	
2018 Est. Owner Occupied Housing Units by Value	**1,955**		**15,201**		**20,186**	
Value Less than $20,000	2	0.09%	124	0.82%	177	0.88%
Value $20,000 to $39,999	4	0.21%	95	0.63%	150	0.74%
Value $40,000 to $59,999	14	0.71%	140	0.92%	211	1.05%
Value $60,000 to $79,999	64	3.30%	185	1.21%	237	1.17%
Value $80,000 to $99,999	39	2.01%	322	2.12%	394	1.95%
Value $100,000 to $149,999	209	10.68%	2,160	14.21%	2,970	14.71%
Value $150,000 to $199,999	476	24.37%	3,448	22.68%	4,905	24.30%
Value $200,000 to $299,999	685	35.03%	4,741	31.19%	6,030	29.87%
Value $300,000 to $399,999	206	10.52%	2,077	13.66%	2,540	12.58%
Value $400,000 to $499,999	65	3.33%	891	5.86%	1,126	5.58%
Value $500,000 to $749,999	102	5.21%	583	3.83%	891	4.41%
Value $750,000 to $999,999	56	2.89%	272	1.79%	325	1.61%
Value $1,000,000 to $1,499,999	10	0.54%	68	0.45%	89	0.44%
Value $1,500,000 to $1,999,999	14	0.74%	44	0.29%	53	0.26%
Value $2,000,000 or more	7	0.38%	52	0.34%	88	0.44%

2018 Est. Median All Owner-Occupied Housing Unit Value	$222,265		$222,044		$215,490	
2019 Est. Housing Units by Units in Structure	**5,352**		**34,811**		**44,040**	
1 Unit Attached	471	8.80%	2,119	6.09%	2,219	5.04%
1 Unit Detached	1,202	22.46%	14,071	40.42%	19,223	43.65%
2 Units	14	0.26%	236	0.68%	242	0.55%
3 or 4 Units	379	7.08%	1,256	3.61%	1,757	3.99%
5 to 19 Units	1,373	25.65%	9,224	26.50%	11,311	25.68%
20 to 49 Units	473	8.84%	2,960	8.50%	3,760	8.54%
50 or More Units	1,441	26.92%	4,804	13.80%	5,338	12.12%
Mobile Home or Trailer	0	0.00%	133	0.38%	174	0.40%
Boat, RV, Van, etc.	0	0.00%	8	0.02%	17	0.04%

Source: US Census, American Community Survey, PCensus

	1-Mile		CMA 3-mile		10-Minute Drive	
2019 Est. Housing Units by Year Structure Built	**5,352**		**34,811**		**44,040**	
Housing Units Built 2014 or Later	524	9.79%	3,126	8.98%	3,699	8.40%
Housing Units Built 2010 to 2013	273	5.09%	779	2.24%	904	2.05%
Housing Units Built 2000 to 2009	616	11.51%	5,552	15.95%	6,844	15.54%
Housing Units Built 1990 to 1999	755	14.11%	6,325	18.17%	6,678	15.16%
Housing Units Built 1980 to 1989	727	13.57%	6,958	19.99%	9,878	22.43%
Housing Units Built 1970 to 1979	1,082	20.22%	6,898	19.82%	9,518	21.61%
Housing Units Built 1960 to 1969	1,188	22.20%	4,346	12.48%	5,452	12.38%
Housing Units Built 1950 to 1959	130	2.43%	481	1.38%	592	1.34%
Housing Units Built 1940 to 1949	8	0.14%	143	0.41%	211	0.48%
Housing Units Built 1939 or Earlier	50	0.93%	204	0.59%	265	0.60%
Median Year Structure Built	1983		1988		1986	

Source: US Census, American Community Survey, PCensus

There are 1,673 single family homes in the 1-mile radius of Nassau Bay. Only 797 homes have been developed in the past nineteen years, that is on average 41 homes per year. On average homes within 1-mile of Nassau Bay are going on 36 years old (1983).

The American Housing Survey is a statistical survey funded by the United States Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. It is the largest regular national housing sample survey in the United States and contains information on the number and characteristics of U.S. housing units as well as the households that occupy those units.

Table 13 shows information about household income broken out by owner occupied housing units and renter occupied housing units. The lower portion of the table illustrates the monthly housing costs. The median owner-occupied unit cost is $1,500 per month while renters are at $903.

Table 13: Nassau Bay Household Income 2017 by Owner and Renter Occupancy

	Total Occupied Housing Units	Owner-Occupied Housing Units	Renter-Occupied Housing Units
Occupied Housing Units Estimate	**1860**	**992**	**868**
% Owner and Renter Occupied	**%**	**53.3%**	**46.6%**
Household Income			
Less than $5,000	1.5	2.8	0.0
$5,000 to $9,999	0.5	0.0	1.2
$10,000 to $14,999	2.5	0.0	5.4
$15,000 to $19,999	12.3	9.3	15.8
$20,000 to $24,999	8.8	1.5	17.2
$25,000 to $34,999	4.8	3.0	6.8
$35,000 to $49,999	7.5	6.8	8.4
$50,000 to $74,999	14.4	6.5	23.4
$75,000 to $99,999	11.5	14.0	8.5
$100,000 to $149,999	16.8	25.0	7.5
$150,000 or more	19.4	31.1	5.9
Median Household Income	**73,103**	**119,250**	**42,950**
Monthly Housing Costs			
Less than $300	2.7	0.9	4.8
$300 to $499	4.8	9.1	0.0
$500 to $799	17.5	11.9	24.0
$800 to $999	16.7	3.5	31.8
$1,000 to $1,499	21.5	24.8	17.9
$1,500 to $1,999	15.2	20.4	9.3
$2,000 to $2,499	12.0	17.9	5.3
$2,500 to $2,999	5.8	8.1	3.1
$3,000 or more	1.9	3.6	0.0
Median Cost	**1,155**	**1,500**	**903**

Source: U.S. Census Bureau, 2015 American Community Survey 5-Year Estimates

Additionally, the next table shows the breakdown of housing costs as a percentage of income. Roughly 12% of homeowners making less than $20,000 are paying 30% or more for housing. The percentages decrease significantly as income goes up, with only 3.5% of households making $35,000 to $49,999 paying 30% or more.

18.5% of renters making less than $20,000 are paying 30% or more for housing costs; 17.5% earning $20,000 to $34,999 and 7% of those making $75,000 or more.

Table 14: Nassau Bay Monthly Housing Costs as a Percentage of Income

	Total Occupied Housing Units	Owner-Occupied Housing Units	Renter-Occupied Housing Units
Occupied Housing Units Estimate	**1860**	**992**	**868**
% Owner and Renter Occupied	**%**	**53.3%**	**46.6%**
Less than $20,000	15.1	12.1	18.5
Less than 20%	0.0	0.0	0.0
20% to 29%	0.0	0.0	0.0
30% or more	15.1	12.1	18.5
$20,000 to $34,999	13.6	4.5	24.0
Less than 20%	2.8	1.1	4.8
20% to 29%	1.3	1.0	1.6
30% or more	9.5	2.4	17.5
$35,000 to $49,999	7.5	6.8	8.4
Less than 20%	1.7	3.2	0.0
20% to 29%	3.5	0.0	7.5
30% or more	2.3	3.5	0.9
$50,000 to $74,999	14.4	6.5	23.4
Less than 20%	7.2	2.7	12.2
20% to 29%	4.3	2.7	6.1
30% or more	2.9	1.0	5.1
$75,000 or more	47.6	70.2	21.9
Less than 20%	36.4	56.9	13.0
20% to 29%	7.6	12.6	1.8
30% or more	3.7	0.7	7.0
Median Household Income	**73,103**	**119,250**	**42,950**
Median Cost	**1,155**	**1,500**	**903**

Household Income

This section provides information on income growth for households in the area. As can be seen in the table, the largest share of all households in the areas are making $50,000 to $74,999, followed by $35,000 to $49,999. The 1-mile radius has a lower average and median household income as compared to the 3-mile and 10-minute drive time. Approximately 24.9% of the households in the 1-mile radii earn $100,000 or more compared to 33% in the other areas.

Table 15: Household Income

Household Income	1-Mile 4,769	CMA 3-mile 31,384	10-Minute Drive 39,984
Less than $15,000	6.26%	7.64%	7.42%
$15,000 to $24,999	15.33%	8.25%	7.52%
$25,000 to $34,999	9.11%	8.94%	8.44%
$35,000 to $49,999	13.33%	13.22%	13.36%
$50,000 to $74,999	19.52%	18.07%	18.10%
$75,000 to $99,999	11.55%	11.17%	11.53%
$100,000 to $124,999	7.63%	8.73%	8.95%
$125,000 to $149,999	5.19%	5.98%	6.24%
$150,000 to $199,999	6.12%	8.08%	8.50%
$200,000 to $249,999	2.47%	3.63%	3.79%
$250,000 to $499,999	2.77%	4.59%	4.56%
$500,000 or more	0.73%	1.70%	1.58%
Estimated Average HH Income	**$80,061**	**$97,299**	**$98,350**
Estimated Median HH Income	**$57,651**	**$66,523**	**$68,317**

Along with the low-end and assisted rental units the single-family house sales are affected by the household income levels as well. The Real Estate Center at Texas A & M University recently published a paper on how higher interest rates will affect the income qualifications and therefore the numbers of home purchasers.

For the Texas A & M study they used a maximum debt-to-income ratio of 38%, 5.6% for taxes, insurance and utilities and 15% down payment with a 30-year mortgage. Using the Texas A & M figures from Table 20 located on the following page, at a 4.15 % interest rate, a household will require a $64,285 qualifying income for a $200,000 house.

Using the Texas A & M figures in Table 20 for total house payments by house value, the qualifying income required to purchase houses in those price ranges can be determined. The qualifying incomes for a mortgage generally require that all housing costs cannot exceed 29% of gross income. Additionally, the housing costs plus other long-term debt, such as vehicles, cannot exceed 41% of gross income. For the sake of simplicity, CDS used monthly long-term debt of an additional $500 up to a $150,000 house purchase and an additional $750 for houses above $150,000.

The qualifying income rates in Table 20 indicate that a household would need an income of $60,000 and above for a home priced from $200,000 and up with interest rates ranging from 3% to 5%. The income goes up to $75,000 for a $250,000 home.

Table 16: House Payment Requirements by House Value & Qualifying Income

Home Price ($)	3%	4%	4.15%	5%	6%	7%
50,000	$15,076	$15,937	$16,071	$16,854	$17,822	$18,836
100,000	30,152	31,875	32,143	33,708	35,643	37,672
150,000	45,229	47,812	48,214	50,561	53,465	56,508
200,000	60,305	63,749	64,285	67,415	71,287	75,344
250,000	75,381	79,686	80,357	84,269	89,108	94,180
300,000	90,457	95,624	96,428	101,123	106,930	113,017
400,000	120,609	127,498	128,570	134,831	142,573	150,689
500,000	150,762	159,373	160,713	168,538	178,216	188,361
750,000	226,143	239,059	241,070	252,807	267,325	282,541

Note: Applies base assumptions, except for changes in mortgage interest rate.
Source: Real Estate Center at Texas A&M University

*Median house price in Houston 4/2019 was $240,000
Source: The Real Estate Center at Texas A & M University; CDS Community Development Strategies

Changes to the underlying assumptions, such as the mortgage interest rate and the effective tax rate, affect a household's ability to afford the same-priced home. As the mortgage interest rate or the effective tax rate increases, the required qualifying income increases, which decreases the number of households that can afford that home. In essence, a higher required qualifying income excludes more would-be buyers from homeownership at a given price.

There are 4,769 households in the 1-mile radius of Nassau Bay. The following table illustrates the number of households that could afford homes based on qualifications in Table 16. With an average income of $80,061 in Nassau Bay, 36.4% of the households earn $75,000 or more. Only 1,769 Nassau Bay households can afford a home priced at $250,000. The number of HH that can afford homes priced over $250k diminishes quickly. At $300k, approximately 1,188 can afford; at $400k approximately 824 can afford; and at $500k approximately 577 can afford based on Tables 15 and 16 data. Table 17 is an approximation as Income levels in Table 15 do not follow Table 16 exactly.

Table 17: Nassau Bay Households Affordability

	3%	4%	4.15%	5%	6%	7%
$50,000	4,471	4,471	4,471	4,471	4,471	4,471
$100,000	3,305	3,305	3,305	3,305	3,305	3,305
$150,000	2,670	2,670	2,670	2,670	2,670	2,670
$200,000	2,000	2,000	2,000	2,000	2,000	1,739
$250,000	1,739	1,739	1,739	1,739	1,739	1,739
$300,000	1,739	1,739	1,739	1,188	1,188	1,188
$400,000	1,188	824	824	824	824	824
$500,000	577	577	577	577	577	577
$750,000	285	285	285	167	167	167

Sources: Texas A&M Real Estate Center, CDS

Housing Market

Overall Houston Housing Market – April 2019

Lower interest rates pushed fence-sitters into buying mode as single-family home sales rose nearly five percent in March compared to a year earlier. The strongest sales activity was recorded among homes priced between $250,000 and $500,000, followed closely by the luxury segment ($750,000 and above). Once again, renters placed strong demand on single-family and townhome/condo leases across greater Houston. Housing inventory expanded to its highest level in five months, laying fertile ground for consumers as we move further into the spring buying season.

According to the latest monthly report from the Houston Association of Realtors® (HAR), sales of single-family homes increased 4.9 percent in March, with 7,072 homes sold versus 6,740 in March of 2018. Home sales edged up slightly in February following three consecutive months of declines.

Prices of single-family homes reached record highs for March. The median price (the figure at which half of the homes sold for more and half sold for less) rose 2.1 percent to $240,000 and the average price was up 2.0 percent at $298,766.

March sales of all property types totaled 8,475, up 3.6 compared to the same month last year. Total dollar volume for the month jumped 5.7 percent to $2.4 billion.

“Home sales are benefitting from some of the lowest interest rates in years, but we also continue to see tremendous strength in the rental segment, and with inventory growing steadily, the Houston real estate market looks solid,” said HAR Chair Shannon Cobb Evans with Heritage Texas Properties. “We are also encouraged by the Texas Workforce Commission’s latest report about a 2.4-percent increase in employment across metro Houston over the past year, which bodes well for housing.”

Lease Property Update

Consumer demand for lease properties was up dramatically again in March compared to a year prior. Single-family home rentals shot up 18.4 percent while rentals of townhomes and condominiums jumped 16.7 percent. The average rent for single-family homes was flat at $1,746 while the average rent for townhomes and condominiums rose 2.0 percent to $1,530.

March Monthly Market Comparison

The Houston real estate market registered across-the-board gains in March. Single-family home sales, total property sales, total dollar volume and pricing were all up compared to March 2018. Month-end pending sales of single-family homes totaled 8,740, a 14.6 percent increase over last year. Total active listings, or the total number of available properties, jumped 17.5 percent to 41,127.

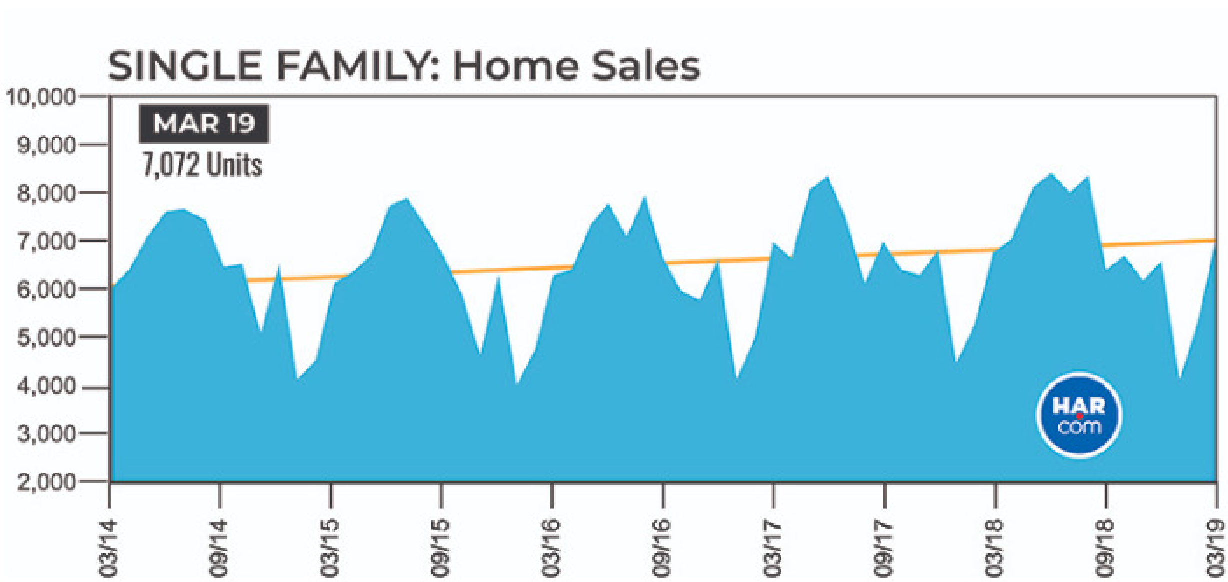
CATEGORIES	MARCH 2018	MARCH 2019	CHANGE
TOTAL PROPERTY SALES	8,182	8,475	3.6%
TOTAL DOLLAR VOLUME	$2,263,301,035	$2,393,088,711	5.7%
TOTAL ACTIVE LISTINGS	34,991	41,127	17.5%
SINGLE-FAMILY HOME SALES	6,740	7,072	4.9%
SINGLE-FAMILY AVERAGE SALES PRICE	$292,966	$298,766	2.0%
SINGLE-FAMILY MEDIAN SALES PRICE	$235,000	$240,000	2.1%
SINGLE-FAMILY MONTHS INVENTORY*	3.3	3.9	0.6 months
SINGLE-FAMILY PENDING SALES	7,628	8,740	14.6%

* Months inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months sales activity. This figure is representative of the single-family homes market.

Source: HAR

Single-Family Homes Update

Single-family home sales climbed 4.9 percent in March, with 7,072 units sold across the greater Houston area versus 6,740 a year earlier. This marks the second consecutive month of positive sales activity. A small increase in February (1.4 percent) reversed three straight months of declines.

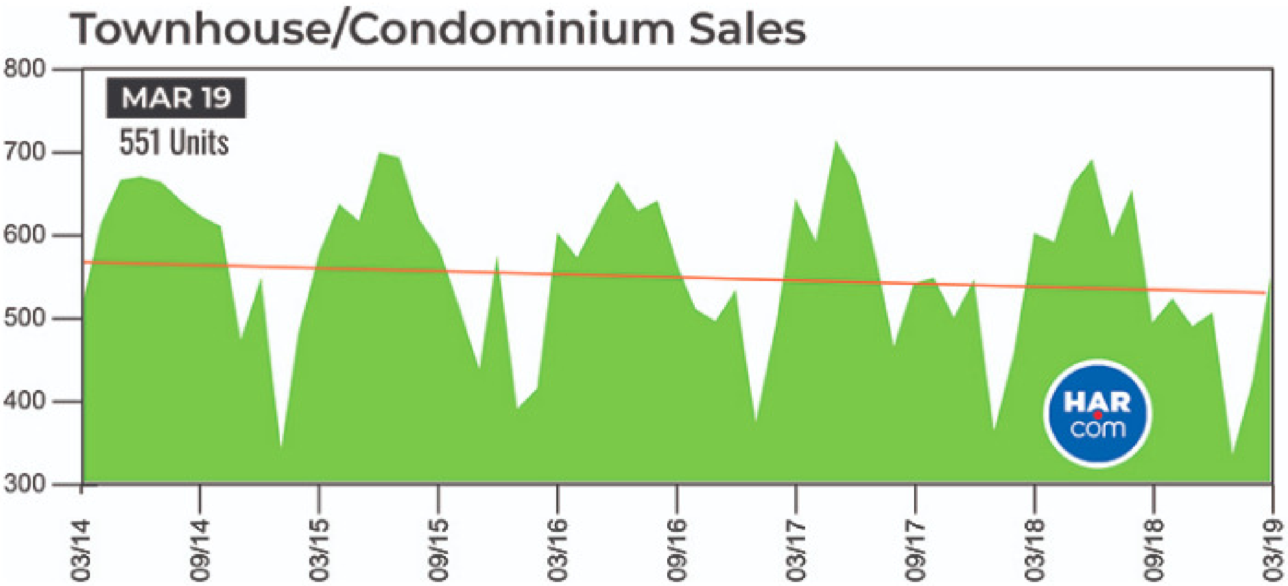


Source: HAR

Prices reached the highest levels ever for a March. The median price increased 2.1 percent to $240,000. The average price rose 2.0 percent to $298,766.

Townhouse/Condominium Update

Townhomes and condominiums remain a challenged segment of the Houston housing market. March brought the seventh straight month of declining sales, down 9.2 percent, with 551 units sold compared to 607 a year earlier. The average price was statistically flat at $211,241 while the median price rose 2.8 percent to $174,750. Inventory grew from a 3.6-months supply to 4.4 months.



Source: HAR

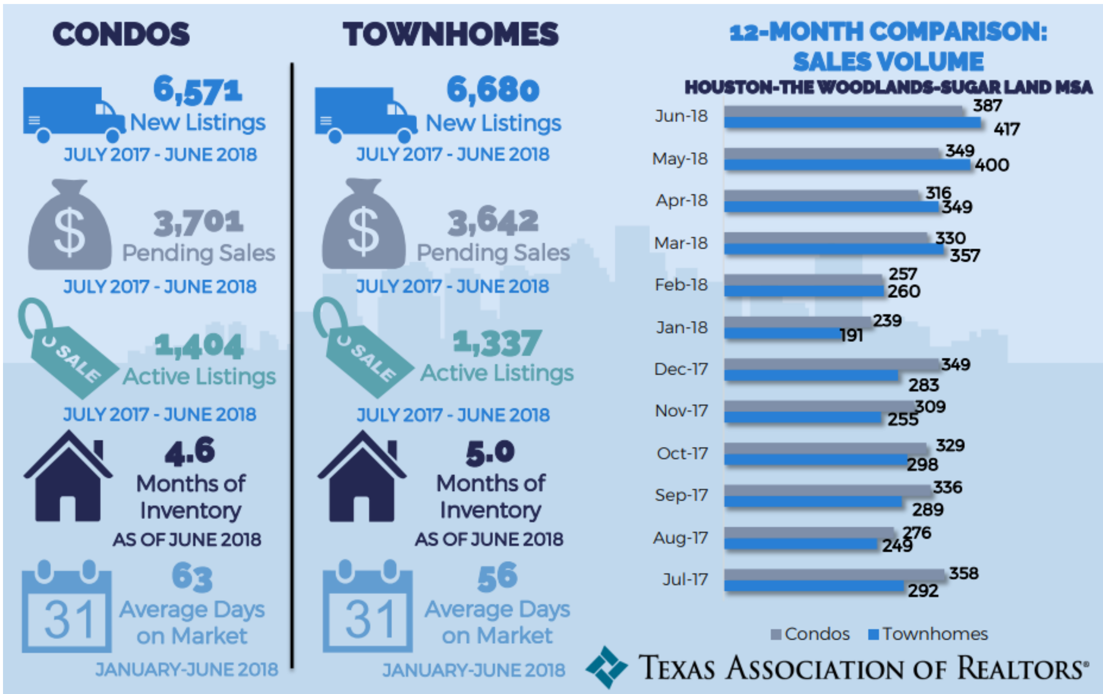
Condominium Market Overview

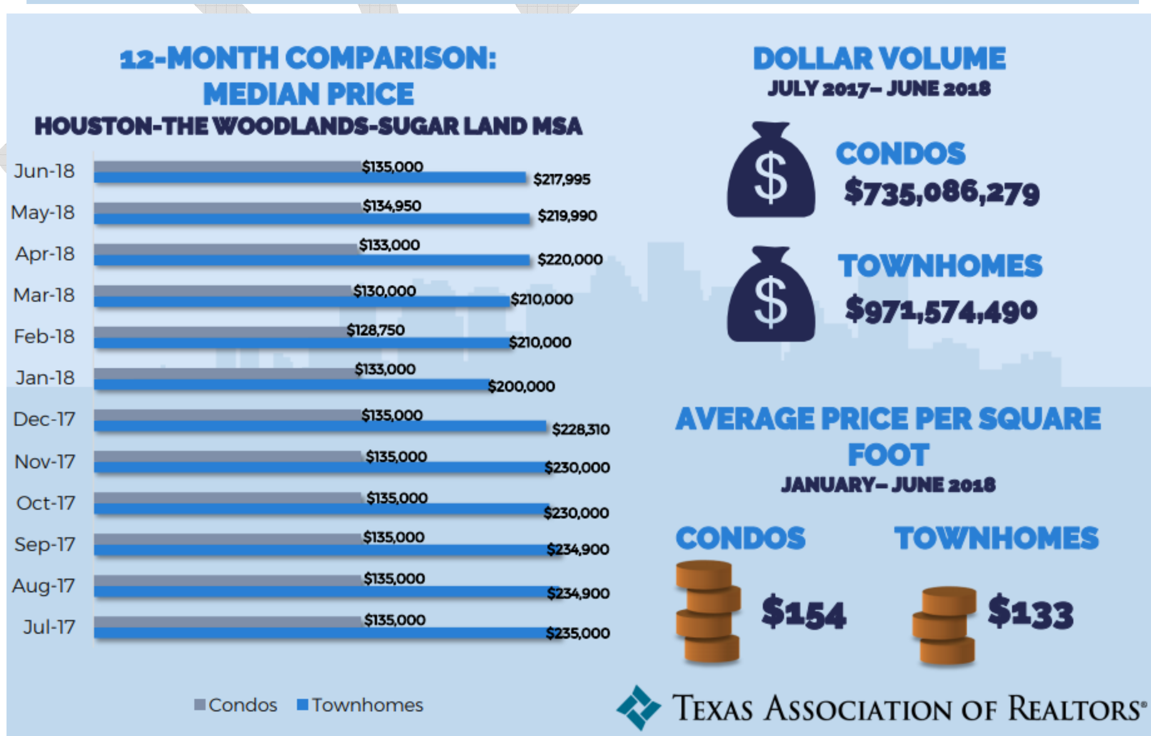
Texas Sales Report – 2018

Texas condominium sales in Texas fell slightly while townhome sales grew between July 2017 and June 2018. Texas condominium sales fell 2.1 percent to 14,279 sales, while townhome sales increased 6.3 percent to 9,064 sales during this time frame. Despite a slight decrease in condominium sales, the Texas condominium and townhome market remains one of the most popular segments of the Texas housing market. From July 2017 to June 2018, the dollar volume of condominiums and townhomes sold in Texas was $5,748,908,746, with $3,414,945,120 in condominium sales and $2,333,963,626 in townhome sales. Sales prices experienced moderate increases for condominiums and townhomes. Statewide, the year-to-date median sales price as of June 2018 was $185,000 for condominiums, an annual increase of 3.4 percent, and $226,000 for townhomes, an annual increase of 2.3 percent. The average price-per-square foot during this time frame was $187 for condominiums and $139 for townhomes in Texas. Housing inventory for Texas condominiums and townhomes decreased slightly, with condominiums declining 0.2 months to 4.5 months of inventory and townhomes decreasing 0.1 months to 4.6 months of inventory. In the first six months of the year, Texas condominiums spent an average of 65 days on the market, while townhomes spent an average of 61 days on the market.

Houston-Woodlands-Sugarland MSA

According to the same report, there were 6,572 new listings of condos in the MSA. The inventory was at 4.6 months as of June, 2018. The median sales price was $135,000. The average sales price per square foot was $154.





CMA Condominium Market

The CMA is considered to be a 3-mile radius of Nassau Bay. Condominiums come in the form of low-rise townhomes (attached) and garden units, and mid to high-rise units.

Low-rise Units

Currently there are sixteen active listings of condos in the CMA. The average list price is $123,993 or $129.96psf. The average days on the market is 91 to closing. The median price is $120,000.

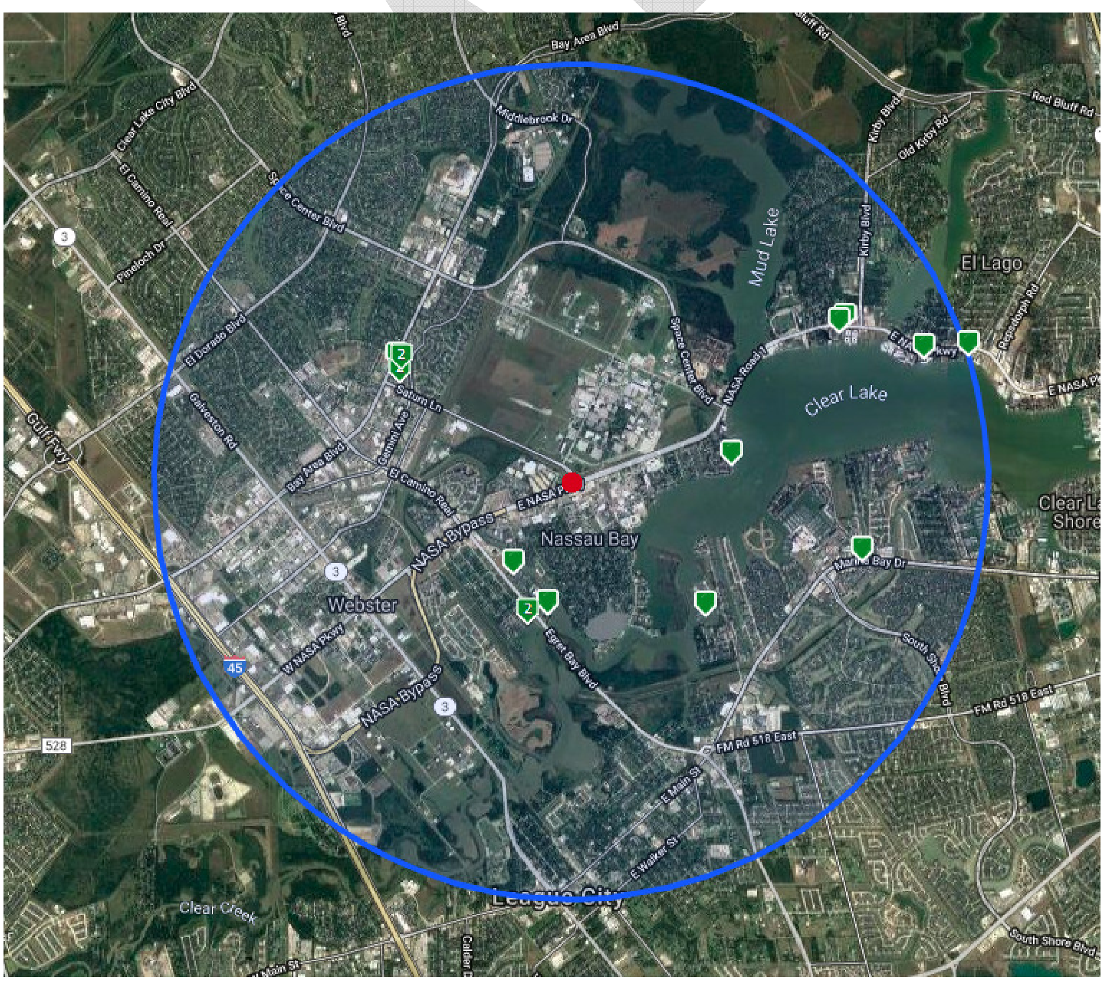
Table 18: CMA Condo Listings

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	CDOM
Min	560	1	1		1977	79,291	$57,500	$89.06	1
Max	1,642	3	2	1	1999	611,765	$279,900	$180.07	230
Avg	919	1	1		1981	281,353	$123,993	$129.96	91
Median	847	1	1		1979	271,287	$120,000	$124.93	62

Source: Houston Association of Realtors, MLS

As seen on the following map, the majority of the listings are located in Houston and Webster.

Figure 6: CMA Condo Listings Map



There have been 23 sales on condos in 2019 to date (3/30/19). The average price is $95,310 or $101.11. This pricing is down 14.1% from 2018 to date. The median price was $90,000.

Table 19: CMA 2019 Condo Sales

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	SP/SqFt	CDOM
Min	587	1	1		1975	79,291	$65,900	$80.90	$55,000	$78.34	1
Max	1,480	2	2	1	1984	611,765	$179,800	$155.53	$175,000	$155.53	228
Avg	942	2	2		1981	357,168	$100,839	$107.34	$95,310	$101.11	57
Median	929	2	2		1981	337,435	$93,500	$100.65	$90,000	$96.35	38

Source: Houston Association of Realtors, MLS

A detailed list of the sales follows.

Table 20: 2019 Condo Sales

Address	Subdivision	Loft	SF	Price	Prc/SF	YB	DOM
18800 Egret Bay Boulevard Unit#301	Tranquility Lake Condo	No	656	$55,000	$83.84	1983	65
18800 Egret Bay Boulevard Unit#809	Tranquility Lake Condo	No	685	$66,000	$96.35	1983	32*
18515 Egret Bay Boulevard Unit#902	Egret Bay Condo Ph 02	No	788	$68,000	$86.29	1981	3
1900 Bay Area Boulevard Unit#E136	University Trace Condo	No	864	$69,900	$80.90	1975	1
1500 Bay Area Boulevard Unit#106-B	Baywind 02 Condos	No	698	$72,500	$103.87	1978	18
793 Davis Road Unit#204	South Point Condos 88	No	587	$72,900	$124.19	1979	5
18519 Egret Bay Boulevard Unit#1508	Egret Bay Condo Ph 03	No	864	$77,130	$89.27	1981	10
1516 Bay Area Boulevard Unit#D3	Baywind Condo Sec 1	No	978	$79,500	$81.29	1977	39
1516 Bay Area Boulevard Unit#U4	Baywind Condo	No	904	$80,000	$88.50	1977	9
1500 Bay Area Boulevard Unit#A104	Baywind Condo Sec 02	No	1,010	$82,500	$81.68	1978	2
4001 Nasa Parkway Unit#133	Lakeshore Condo	No	1,085	$85,000	$78.34	1980	40*
18800 Egret Bay Boulevard Unit#212	Tranquility Lake Condo	No	976	$90,000	$92.21	1983	32*
2323 Fairwind Drive Unit#324	Cloister Condo	No	966	$90,000	$93.17	1984	104
18519 Egret Bay Boulevard Unit#1409	Egret Bay Condo Ph 03	No	929	$92,900	$100.00	1981	92
18511 Egret Bay Blvd Unit#503	Egret Bay	No	864	$95,000	$109.95	1981	38
18800 Egret Bay Boulevard Unit#401	Tranquility Lake Condo	No	903	$105,000	$116.28	1983	11
2323 Fairwind Road Unit#325	Cloister	No	1,223	$114,900	$93.95	1984	18
18800 Egret Bay Boulevard Unit#1007	Tranquility Lake Condo	No	976	$115,000	$117.83	1983	38*
18800 Egret Bay Boulevard Unit#1101	Tranquility Lake Condo	No	976	$115,000	$117.83	1983	15
18809 Egret Bay Boulevard Unit#213	Point At Egret Bay Condo	No	1,040	$119,900	$115.29	1983	51
351 Lakeside Lane Unit#204	Bayfront Towers Condo	No	868	$135,000	$155.53	1978	1
17718 Kings Park Lane	Kings Park T/H Condo	No	1,350	$136,000	$100.74	1979	21*
4749 Nasa Road 1 Unit#54	Mariner Village Condo	No	1,480	$175,000	$118.24	1978	149

Source: Houston Association of Realtors, MLS

In 2018 there were twelve sales of condos in the CMA. The average sales price was $108,817 or $100.83psf. The average days on the market to close was 28. The median price was $92,950.

Table 21: CMA Condo Sales, 2018

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	SP/SqFt	CDOM
Min	595	1	1		1977		$47,500	$67.01	$47,500	$70.10	4
Max	2,741	3	2	2	2014	370,014	$305,000	$167.90	$298,000	$167.90	155
Avg	1,080	2	2		1983	163,616	$110,746	$102.36	$108,817	$100.83	28
Median	970	2	2		1980	132,181	$94,325	$100.64	$92,950	$98.41	9

Source: Houston Association of Realtors, MLS

The sales were as follows:

Table 22: CMA 2018 Condo Sales

Address	Subdivision	Loft	SF	Price	Prc/SF	YB
1516 Bay Area Boulevard Unit#B4	Baywind Condo Sec 01	No	652	$47,500	$72.85	1977
1500 Bay Area Boulevard Unit#194	Baywind 02 Condos	No	970	$68,000	$70.10	1978
18617 Egret Bay Boulevard Unit#503	Egret Bay Villas Condo Ph 01	No	660	$72,000	$109.09	1983
1500 Bay Area Boulevard Unit#440	Baywind Condo	No	970	$75,000	$77.32	1978
18511 Egret Bay Bl Boulevard Unit#404	EGRET BAY CONDO	No	890	$84,000	$94.38	1981
18617 Egret Bay Boulevard Unit#1105	Egret Bay Villas Condo Ph 01	No	900	$89,900	$99.89	1983
18515 Egret Bay Boulevard Unit#811	Egret Bay Condo Ph 02	No	1,135	$96,000	$84.58	1981
793 Davis Road Unit#312	South Point Condos 88	No	595	$99,900	$167.90	1979
18519 Egret Bay Boulevard Unit#1401	Egret Bay Condo Ph 03	No	1,135	$110,000	$96.92	1981
4001 Nasa Parkway Unit#222	Lakeshore Condo	No	1,085	$110,000	$101.38	1980
4747 Nasa Parkway Unit#302	Mariner Village Condo	No	1,226	$155,500	$126.84	1978
407 Marina View Drive	Edgewater Sec 13	No	2,741	$298,000	$108.72	2014

Source: Houston Association of Realtors, MLS

Mid to High Rise Units

There is one high rise condominium in the CMA, the Endeavor. The Endeavor is a 30-story building with 80 units located on Clear Lake. The Endeavor was built in 2006.

The amenities include resort pool, spa, fitness club, theatre, valet and garage parking, party room and concierge. The monthly maintenance fee varies with each unit.

There are currently four listings in the CMA. The average listing price is $899,725 or $314.87psf while the median was at $609,500. The maintenance fee ranges from $1,000 to $3,595 per month on the listings.

Table 23: CMA High Rise Condo Sales

	SqFt	BD	FB	HB	Yr Built	List Price	LP/SqFt	CDOM
Min	1,650	2	2		2006	$479,900	$290.83	88
Max	5,533	5	5	1	2006	$1,900,000	$343.39	716
Avg	2,763	3	3	1	2006	$899,725	$314.87	292
Median	1,933	2	2		2006	$609,500	$312.63	181

Source: Houston Association of Realtors, MLS

In 2019, there have been two sales to date. The average price was $666,250 or $307.74psf. Since 2018, the prices have increased 13.6%.

Table 24: Endeavor 2019 Sales

Address	Building Name	SF	Price	Prc/SF	YB	BR	DOM
4821 Nasa Parkway Unit#20E	ENDEAVOUR	2,165	$600,000	$277.14	2006	3	217
4821 Nasa Parkway Unit#18W	ENDEAVOUR	2,165	$732,500	$338.34	2006	3	454

Source: Houston Association of Realtors, MLS

In 2018 there was only one sale. The sales price was $270.27psf.

Table 25: 2018 Endeavor Sales

Address	**Building Name**	Loft	SF	Price	Prc/SF	YB	BR	DOM
4821 E Nasa Parkway Unit#11E	ENDEAVOUR	No	1,702	$460,000	$270.27	2006	2	24

SINGLE FAMILY

There are currently 181 homes listed in the CMA (3-mile radius). They range from $176,000 to $5,300,000. The average list price is $145.82psf with the average age at 1989. The median price is $123.79psf. To note, new homes are being built (2019) in this market.

Table 26: CMA Single Family Listings

Status: Active (181)

Property Type: Single-Family (181)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt
Min	1,398	2	2		1955	0.05	2,205	$176,000	$74.69
Max	11,601	6	6	2	2019	1.62	70,600	$5,300,000	$456.86
Avg	3,217	4	3	1	1989	0.25	10,742	$518,006	$145.82
Median	3,056	4	3	1	1988	0.22	9,293	$365,000	$123.79

Source: Houston Association of Realtors, MLS

In 2019 there have been 197 sales to date (May 2019). The average sales price is $290,526 ($118.38psf). The median price was $240,000. The CMA has newer homes built in 2018 to offer, these are priced from $300psf.

Table 27: CMA 2019 Sales

Status: Sold (197)

Property Type: Single-Family (197)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price
Min	797	2	1		1958	0.08	3,456	$80,000	$69.62	$44.41	$75,000
Max	6,681	5	5	2	2018	6865.00	256,704	$2,495,000	$395.59	$5,356,872.64	$3,050,000
Avg	2,454	4	2		1984	38.18	11,384	$296,716	$119.86	$1,401,907.51	$290,526
Median	2,226	4	2		1982	0.20	8,534	$245,000	$114.25	$1,253,465.35	$240,000

The 2018, 631 homes sold at an average of $118.66psf, nearly the same pricing as 2019. These homes ranged from $82,000 to $1,890,000. The average age is 1984. The median price was $262,000.

Table 28: 2018 CMA Sales

Status: Sold (631)

Property Type: Single-Family (631)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price
Min	806	1	1		1949	0.02	2,897	$82,000	$59.10	$334,439.62	$85,000
Max	6,269	6	6	3	2018	1.85	80,455	$1,890,000	$334.75	$18,499,127.40	$1,600,000
Avg	2,508	4	2	1	1984	0.23	9,889	$306,705	$120.66	$1,399,366.30	$297,602
Median	2,408	4	2		1982	0.21	8,976	$265,000	$114.91	$1,236,791.55	$262,000

In 2017, 596 homes sold ranging from $55,500 to $1,800,000. The average was $277,150 and built in 1983. The median price was $245,000.

Table 29: CMA 2017 Sales

Status: Sold (596)

Property Type: Single-Family (596)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price
Min	864	2	1		1900	0.14	3,728	$63,000	$21.65	$174,748.80	$55,500
Max	6,455	6	5	2	2018	1.41	61,380	$1,950,000	$317.74	$1,631,713.55	$1,800,000
Avg	2,451	4	2		1983	0.28	9,625	$283,796	$113.81	$911,981.37	$277,150
Median	2,328	4	2		1982	0.22	8,980	$249,900	$109.43	$992,328.52	$245,000

Source: MLS/HAR

TOWNHOMES

Currently there are 41 active listings in the CMA. They range from $133,900 to $329,990. The average list price is $136.22psf while the median is $129.48. Townhomes in this market range from 1975 to 2019.

Table 30: CMA Townhome Listings

Status: Active (41)

Property Type: Townhouse/Condo (41)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt
Min	1,280	2	2		1975	1,032	$133,900	$83.03
Max	3,965	4	4	2	2019	104,878	$589,000	$217.83
Avg	2,428	3	3	1	1997	7,590	$327,731	$136.22
Median	2,395	3	3	1	1991	2,786	$329,990	$129.48

New townhomes are being built in Armanwilde (BayWay Homes), located at 16 W Oaks drive in Houston. They range from 2300sf to 3100sf. Pricing is from $300s to $500s.

Barcelona - Unit 3

Beautiful Mediterranean style townhomes boast extensive upgrades including maple cabinets, granite, tile in all wet areas and hickory hardwood floors in family and dining rooms. Enjoy the outdoors (and views of the Lakes) from your covered and uncovered rooftops or from the community infinity pool.

In 2019, 48 townhomes have sold ranging from $102,200 to $449,000. The average is $120.40psf and built in 1988. The median was $192,500, The newest townhome was built in 2018 and sold for $449,000.

Table 31: CMA 2019 Townhome Sales

Status: Sold (48)

Property Type: Townhouse/Condo (48)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price
Min	918	2	1		1965	20	$97,440	$82.77	$102,200
Max	3,699	4	3	2	2018	43,560	$449,000	$173.73	$449,000
Avg	1,847	3	2	1	1988	3,310	$221,550	$120.40	$216,321
Median	1,801	3	2	1	1983	2,542	$195,000	$112.92	$192,500

In 2018 there were 44 townhome sales. The sales were on average at $108.29psf. Homes ranged from 1963 to 2017. The median sales price was $103.39psf.

Table 32: CMA 2018 Townhome Sales

Status: Sold (44)

Property Type: Townhouse/Condo (44)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	Close Price Adj	SP/SqFt
Min	675	1	1		1963	646	$72,000	$72.56	$69,000	$69,000	$69.40
Max	3,699	4	3	2	2017	611,765	$559,900	$176.83	$552,100	$552,100	$169.59
Avg	1,932	3	2	1	1986	21,916	$213,122	$111.47	$207,044	$205,980	$108.29
Median	1,826	3	2	1	1983	2,807	$193,500	$106.11	$191,500	$191,450	$103.39

In 2017, 122 townhomes sold. The average sales price was $112.58psf or $230,742. Homes sold were built between 1965 and 2017. The median was $107.58psf.

Table 33: CMA 2017 Townhome Sales

Status: Sold (122)

Property Type: Townhouse/Condo (122)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	Close Price Adj	SP/SqFt
Min	729	1	1		1965	646	$69,900	$59.35	$62,000	$62,000	$56.70
Max	3,686	4	4	2	2017	5,538	$599,990	$209.93	$581,750	$581,750	$201.19
Avg	2,001	3	2	1	1990	2,496	$237,269	$115.06	$231,570	$230,742	$112.58
Median	1,924	3	2	1	1984	2,561	$181,200	$111.28	$179,950	$179,125	$107.58

Source: MLS/HAR

The townhomes in the CMA built between 2017 and 2018 were at the Veranda in League City. These homes range from 2,000sf to 2,500sf and are 2 to 3 bedrooms. Pricing is in the $300s.

Single Family Lots

The CMA falls within The Clear Lake Area in the Houston Housing Data. There are 941 vacant lots in the CMA, or 15.8 month's supply.

Southeast													
Clear Lake Area	55%	Starts	211	216	176	200	209	207	154	143	212	716
$111-$3,000 *20'-130'*	61%	Closings	253	206	203	192	180	224	185	160	166	735
50 subdivisions	58%	Housing Inv	454	464	437	445	474	457	426	409	455	*7.4 mos*
	46%	VDL Inv	1,211	1,115	1,482	1,387	1,342	1,185	1,189	1,044	941	*15.8 mos*

Source: Houston Housing Data

MULTIFAMILY

Southeast Multifamily Submarket

Nassau Bay falls within the boundaries of the Southeast Houston multifamily submarket. The Southeast Houston Submarket remains known as the largest submarket in Houston in terms of total inventory, with 70,000 units, and nearly 90% of this is 1 to 3 Star properties, mostly workforce housing. Although the area benefits from resilient demand drivers such as the Port of Houston, the downstream petrochemical industry, Hobby Airport, the NASA Lyndon B. Johnson Space Center, strong demand for affordable housing, and limited new affordable inventory, the area is not immune to external shocks.

The area continues to recover from aftershocks caused by the oil downturn and Harvey. A large amount of units located near major waterways were flooded during Harvey, and more than half a dozen properties remained under renovation as of 19Q1. Although 2018 saw a modest recovery in absorption, negative demand performance in 2015 to 2017 plays into CoStar's forecast model. As a result, CoStar is forecasting moderate absorption over the next five years and an elevated vacancy rate to underperform the metro average by as much as 100 basis points during that time.

Figure 7: Southeast Multifamily Market

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	8,654	6.9%	$1,242	$1,204	(14)	0	516
3 Star	40,639	10.4%	$894	$871	91	0	334
1 & 2 Star	20,960	11.1%	$815	$801	67	0	0
Submarket	**70,253**	**10.2%**	**$918**	**$895**	**144**	**0**	**850**

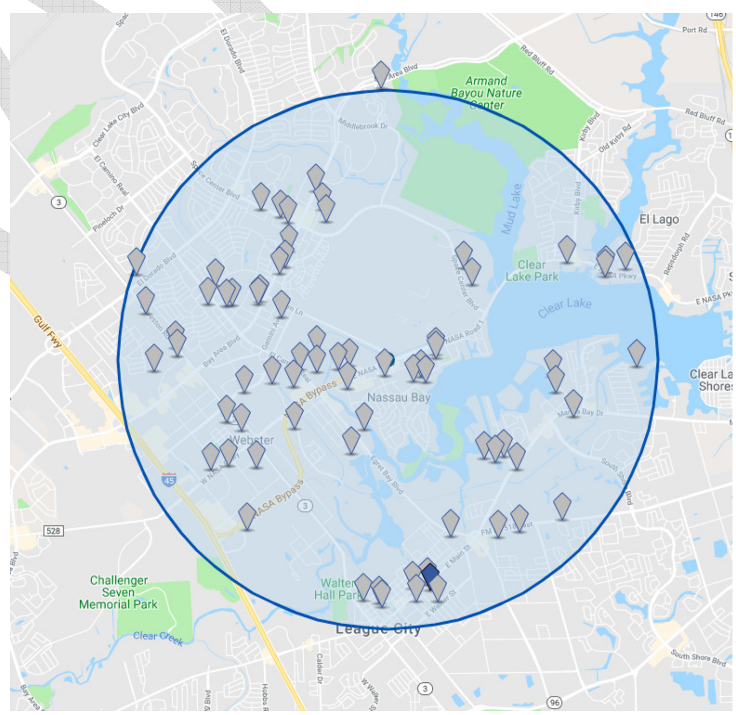
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.8%	9.8%	10.1%	12.5%	2010 Q2	6.4%	2000 Q1
Absorption Units	649	137	373	2,033	2005 Q4	(1,614)	2002 Q2
Delivered Units	88	406	376	1,198	2008 Q3	0	2015 Q2
Demolished Units	0	96	38	1,041	2014 Q1	0	2019 Q1
Asking Rent Growth (YOY)	1.4%	2.3%	1.0%	7.7%	2015 Q3	-1.8%	2010 Q1
Effective Rent Growth (YOY)	1.4%	2.2%	1.1%	7.7%	2015 Q2	-1.9%	2010 Q1
Sales Volume	$391 M	$151.2M	N/A	$460.1M	2018 Q4	$23.5M	2009 Q3

Source: CoStar; 4-5 Star properties would be Class A and B.

CMA – 3 Mile radius

In the CMA there are 15,043 apartment units in 67 properties. There are 334 additional units under construction.

The vacancy rate is fairly low at 7.8%. Absorption over the past 12 months was positive at 134 units.



Historical Performance Trends

Market rents have increased significantly over the past five years while vacancy has been somewhat erratic. As seen in figure 7, vacancy tends to follow deliveries of units into this market.

Figure 8: CMA Multifamily Historical Vacancy and Rent

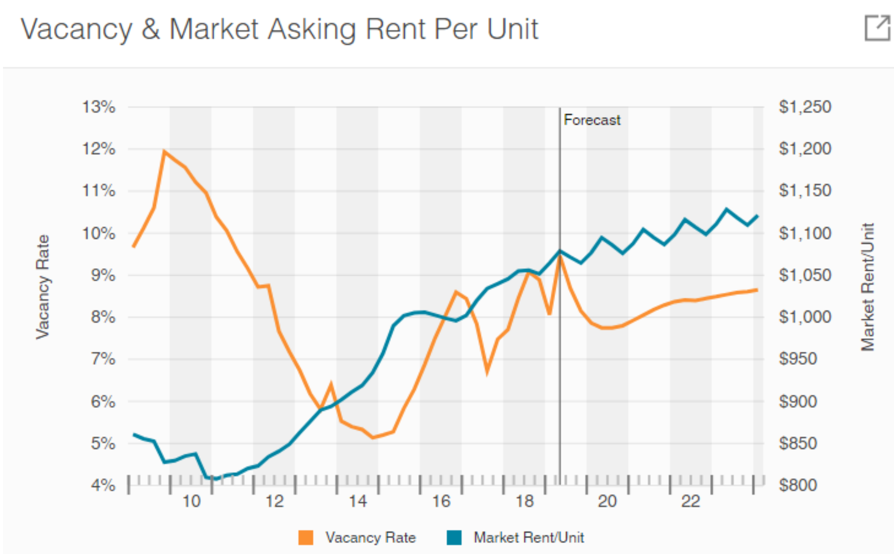


Figure 9: Absorption, Deliveries and Vacancy

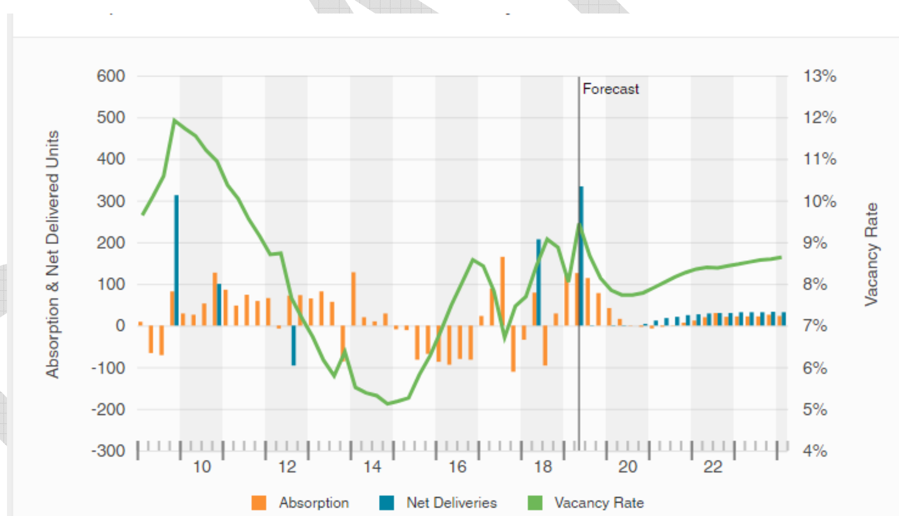


Table 37 (following page) is a list of multifamily units in the CMA:

- There are 14,110 conventional apartment units
  - Vacancy is at 8.6%
  - Asking rents are at $1.18psf
- Of these, 1,981 units are Class A (14%)
  - Asking rents are $1.34psf
  - Vacancy is at 6.6%
- There are 6,792 Class B units (48%)

  - Asking rents are $1.21psf
  - Vacancy is at 11.1%
- There are 5,337 Class C units
- There are 334 units under construction – Class B
- There are 100 Active Adult units in one market rate property; Rents are at $1.23psf with vacancy at zero.
- There are 204 units – Retirement Community offering independent living, assisted living and memory care. Offers gourmet dining, housekeeping, activities, etc.
- There are 586 Affordable units
  - Asking rents on average are $1.11psf
  - Income Restricted
  - Vacancy is 5.9%

Table 34: CMA Multifamily Inventory

Building Name	Building Address	Building Class	Style	Number Of Units	Avg Asking /SF	Avg Effective /Unit	Number Of 1 Bedrooms	Number Of 2 Bedrooms	Number Of 3 Bedrooms	Year Built	Avg Unit SF	Vacancy %	Year Renovated	Rent Type
University Trace	1900 Bay Area Blvd	A	Garden	17			17					11.76		Market
The Moorings Apartments	601 Enterprise Ave	A	Garden	201	1.28	1167	136	65		1998	913	7.46		Market
Palms at Clear Lake	1300 Gemini St	A	Garden	240	1.32	1236	144	96		1999	934	4.17		Market
Fairways at South Shore Harbor	3045 Marina Bay Dr	A	Garden	432	1.24	1097	245	165	22	2000	891	8.33		Market
Voyager at The Space Center	18101 Point Lookout Dr	A	Mid-Rise	313	1.64	1482	232	77	4	2009	963	4.47		Market
The Marquis at Clear Lake	501 N Sarah Deel Dr	A	Garden	364	1.32	1228	232	132		2005	932	6.04		Market
Century Edgewater	200 Water St	A	Garden	414	1.22	1289	180	192	42	2008	1061	4.11		Market
Sub-total Class A				***1981***	***1.34***	***1250***	***1186***	***727***	***68***	***2003***	***949***	***6.62***		
The Vibe at Clear Lake	506 S Austin St	B	Garden	180	1.05	981	33	125	12	1965	942	12.22		Market
The Park at Clear Lake	1239 Bay Area Blvd	B	Garden	342	1.12	768	134	128		1976	688	6.43		Market
Clear Lake Village	1243 Bay Area Blvd	B	Garden	342	1.15	819	140	160		1976	719	10.53		Market
University Green	1620 Bay Area Blvd	B	Garden	194	1.17	817	96	74		1977	702	3.09		Market
Park at Armand Bayou	4300 Bay Area Blvd	B	Garden	401	1.43	1315	207	194		1996	1045	9.48		Market
CP Waterfront	451 Constellation Blvd	B	Garden	264	1.07	867	156	100	8	1978	816	4.17		Market
The Shore	501 Davis Rd	B	Garden	176	1.22	943	96	80		1981	783	11.93		Market
The Towers at Clear Lake	18707 Egret Bay Blvd	B	Mid-Rise	196	1.06	1223	24	172		1984	1165	9.69	2001	Market
Terrace Villas	17700 El Camino Real	B	Garden	150	1.05	845	64	60	14	1972	820	16.89		Market
Las Palmas - El Camino	1400 El Camino Village Dr	B	Garden	360	1.47	1384	218	142		1993	996	5.56		Market
Hawthorne at South Shore	1201 Enterprise Ave	B	Mid-Rise	240	1.55	1189	168	72		1989	795	5.42		Market
Harbor Walk	2751 FM 518 Rd E	B	Garden	138	1.21	1143		106	32	1981	1006	18.84	2010	Market
Everwood	444 E Medical Center Blvd	B	Garden	530	1.36	1119	338	192		1989	828	4.15	2008	Market
Dwell at Clear Lake	4101 NASA Pky	B	Garden	199	1.32	1181	90	105	4	1968	904	12.56		Market
Solano	535 W Nasa Rd	B	Garden	262	1.08	963	130	122	10	1966	900	50.76	2019	Market
The Regatta Apartments	1315 Nasa One	B	Garden	490	1.05	871	371	94	25	1968	830	8.16	1994	Market
The Falls at Clear Lake	801 E NASA Rd 1	B	Garden	400	1.13	882	280	120		1984	784	6.5		Market
The Sapphire	2002 San Sebastian Ct	B	Low-Rise	248	1.25	1061	176	72		1967	882	31.85	2019	Market
Signature Point	1 Signature Point Dr	B	Garden	304	1.24	1064	176	112	16	1994	859	6.25		Market

Building Name	Building Address	Building Class	Style	Number Of Units	Avg Asking /SF	Avg Effective /Unit	Number Of 1 Bedrooms	Number Of 2 Bedrooms	Number Of 3 Bedrooms	Year Built	Avg Unit SF	Vacancy %	Year Renovated	Rent Type
Newport at Clear Lake	15900 Space Center Blvd	B	Garden	144	1.23	897	65	58	1	1979	733	3.47	2000	Market
Wolf Creek Apartment Homes	16100 Space Center Blvd	B	Garden	214	1.16	876	142	72		1980	782	6.07		Market
Village on the Lake	19200 Space Center Blvd	B	Garden	612	1.38	1351	312	240	60	2000	1088	10.95		Market
The Shores at Clearlake	19400 Space Center Blvd	B								2018				
Palomar Apartments	100 W Texas Ave	B	Garden	360	1.29	1157	180	140	40	1999	930	6.11		Market
Tiffany Bay	16505 Tiffany Ct	B	Garden	46	0.97	1209	4	26	16	1981	1248	4.35		Market
Sub-total Class B				***6792***	***1.21***	***1039***	***157***	***115***	***20***	***1982***	***885***	***11***	***2007***	
The Cove	2000 Bay Area Blvd	C	Garden	308	1.15	805	256	52		1979	721	5.84		Market
Baycrest Village	16400 Buccaneer Ln	C	Garden	96			48	48		1980	810			Market
Space Colony Apartments	202 Cole St	C	Low-Rise	32	1.14	851	2	30		1964	775	9.38		Market
Coryell Court	200 W Coryell St	C	Garden	16						1963		6.25		Market
	1819 Cove Park Dr	C		6			6			1975		0		Market
Clear Lake Apartment Homes	300 Cyberonics	C	Garden	244	1.08	972	96	132	16	1979	929	6.15		Market
The Presidio at Clear Lake	16201 El Camino Real	C	Garden	313	1.06	937	130	163	20	1968	890	7.03	2017	Market
The Grand Hampton at Clear Lake	16202 El Camino Real	C	Garden	347	1.01	1005	149	137	61	1976	1002	2.88		Market
Riviera at Clear Lake	16457 El Camino Real	C	Garden	289	0.97	825	92	169	28	1968	895	5.54		Market
Skylar Pointe Apartments	1110 El Camino Village	C	Garden	449	1	947	161	262	26	1979	945	0.22		Market
Creekside Villas at Clear Lake	707 El Dorado Blvd	C	Garden	202	1.1	953	84	102	16	1979	870	2.48		Market
Hidden Lake	900 Henderson Ave	C	Garden	440	1.4	1023	288	152		1986	732	3.18		Market
The Haven	15902 Highway 3	C	Garden	732	1.26	1027	384	324	24	1991	818	5.87		Market
	340 N Houston St	C	Low-Rise	8						1968		12.5		Market
	122 N Iowa Ave	C	Low-Rise	7						1971		14.29		Market
	201 S Kansas Ave	C	Low-Rise	8						1973		12.5		Market
	1025 Lewis St	C	Garden	13				13		1979		7.69		
	1101 E Main St	C	Low-Rise	16				16		1970	850	6.25		Market
	4011 NASA	C		1						1970		0		
Pelican Reef Apartments	3802 Nasa Rd	C	Garden	89	1.4	928	81	8		1968	715	4.49		Market
Encore on the Bay	4601 E Nasa Pky	C	Garden	296	0.95	872	162	134		1970	925	3.72	2013	Market
Baystone Apartments	800 W Nasa Pky	C	Garden	289	0.97	977	55	134	100	1968	1025	5.19	2013	Market

Building Name	Building Address	Building Class	Style	Number Of Units	Avg Asking /SF	Avg Effective /Unit	Number Of 1 Bedrooms	Number Of 2 Bedrooms	Number Of 3 Bedrooms	Year Built	Avg Unit SF	Vacancy %	Year Renovated	Rent Type
The Oaks at Nassau Bay	18100 Nassau Bay Dr	C	Garden	162	0.92	850	92	70		1968	1008	9.88		Market
Bay House	2041 San Sebastian Ct	C	Garden	190	1.16	938	110	76	1	1968	868	5.79	2015	Market
Lakeshore	16200 Space Center Blvd	C	Garden	231	1.29	949	169	60		1978	744	27.71	2005	Market
Huntcliff Apartments	2525 St. Christopher Ave	C	Garden	240	1.13	948	108	108	24	1978	838	3.75		Market
Nassau Bay Villa	130 Surf Ct	C	Low-Rise	68	1.18	724	16	4	1	1963	617	4.41		Market
Victoria Lake Apartments	140 Surf Ct	C	Low-Rise	60	1.07	766	15	20	5	1963	722	6.67		Market
Aero on Upper Bay Apartments	18290 Upper Bay Rd	C	Garden	125	1.01	895	61	44	20	1968	896	8.8	1998	Market
3rd Street Village	310 Waco Ave	C	Garden	52	1.1	995	18	26	6	1970	912	11.54		Market
	1016 E Walker St	C	Low-Rise	8								12.5		Market
Sub-total Class C				***5337***	***1.11***	***914***	***112***	***95***	***25***	***1973***	***848***	***7***	***2010***	
TOTALS/AVERAGES				**14110**	**1.18**	**1011**	**7369**	**5777**	**654**	**1979**	**876**	**8.6**	**2008**	
UNDER CONSTRUCTION														
The Caroline	1235 Nasa Pky	B	Low-Rise	334			185	125	24	2019	1142	100.0		Market
SENIOR APARTMENTS														
The Delaney At South Shore Harbor	2551 Marina Bay Dr	B	Mid-Rise	204	9.69	4971	27	25		2018	513	15		FULL CARE
Baybrook Park	500 W Texas Ave	B	Mid-Rise	100	1.23	922	68	32		2010	753	0		55+ Active Adult
AFFORDABLE UNITS														
Coronado Townhomes	2628 Quivira Ter	B	Garden	140	1.24	1305		78	62		1062	2.86		Market/ Affordable
Chatham Village Apartments	16460 Highway 3	C	Garden	210	1.08	974	80	122	8	1984	898	10		Market/ Affordable
Baypointe Apartments	901 Kobayashi Dr	B	Garden	236	1.01	941	60	96	80	2006	941	5.08		Affordable
Totals/Averages				**586**	**1.11**	**1073**	**70**	**98**	**50**	**1995**	**967**	**5.98**		

Source: CoStar, ALN

The Caroline, a Finger property will be opening the first phase in June 2019. The luxury apartments will include three pools (one heated), outdoor lounges, grilling stations, HDTVs, Club room, Fitness center, Business center, and covered parking. Dog run and grooming station is also planned. Interior features include wood floors, solar shades, washers/dryers, kitchen islands, gas range, Quartz countertops, glass showers and soaking tubs.

Although not in Nassau Bay, it is within a 1-mile radius.

Nassau Bay Housing Market

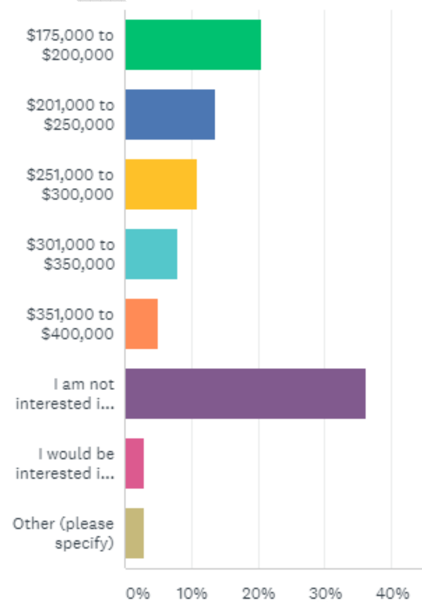
As stated earlier in the report, due to its small size of 2 square miles, Nassau Bay is limited on its housing options and expansions. There are currently 22 vacant residential lots available for constructing homes. There are also six homes slated for demolition due to code enforcement by the City. They are all zoned residential. In addition, there are seven homes for FEMA buyout due to Harvey (green space). They are all located on Leeward Lane. A total of 28 lots would all be for single family housing units.

As far as vacant land for housing, there are two current options are each owned by individuals. One is in the Nassau Bay Town Center and the other is along the water overlooking Clear Lake. With both of these options to footprint would have to be linear, going up due to space. Condominiums or Townhomes would be the logical option as far as housing units.

CDS tested Condominiums in the online survey of residents and employees in the area (see full survey end of report). We also found the following:

Town Center:

- When Asked would you purchase a condominium in Nassau Bay Town Center, 16.4% or 91 said "Yes".
- Their decision was based on pricing, location, amenities, and walkability
- When asked "what be the maximum" they would pay for this location, 12% (72) said between $300k and $400k



Waterfront/Waterview:

- When asked would a waterfront/waterview appeal to you more, 59.5% (319) said "Yes"
- When asked what would be the most you pay for a waterfront condo, respondents were willing to pay more across the board.

ANSWER CHOICES		RESPONSES	
$300,000 to $400,000		37.43%	201
$400,000 to $500,000		12.10%	65
$500,000 to $750,000		4.10%	22
$750,000 to $1 million		1.12%	6
$1.o to $1.5 million		0.00%	0
$2.0 to $3.0 million		0.00%	0
Over $3 million		0.19%	1
Not Interested		41.71%	224
Other (please specify)	Responses	3.35%	18
TOTAL			537

Of the 554 respondents to the survey:

- 65.8% currently live in a single-family detached home
- 13% of these are waterfront, water view or water access
- 75% own their home
- 45% said their home was valued between $200k and $400k; 15% over $400k
- 145 lease and pay between $1,000 and $1,500 on average
- 68% of all respondents are happy where they currently live
- "IF" they were going to change homes, they would choose: 3% apartment, 13% condo (70), 20% patio home (73) or townhome (34), 48% SFR, 8% Senior Living (46).
- Four things Nassau Bay needs to do:

ANSWER CHOICES		RESPONSES	
Provide more "entry-level" subdivisions of lower-priced, for-sale single family detached homes		18.95%	105
Provide new development of for-rent single family detached homes with common yard maintenance		10.29%	57
Provide more upscale, "move-up" single family detached housing in small subdivisions without amenities		18.77%	104
Provide denser, lower-maintenance types of for-sale housing, such as townhomes, patio homes and/or condos		20.58%	114
Provide new, upscale apartments		12.64%	70
Provide new urban lofts, townhomes, etc in Town Center		27.26%	151
Provide subdivisions for mobile homes/RVs		0.90%	5
Preserve existing lower cost and older homes		22.20%	123
Redevelop older housing into newer homes		28.16%	156
Provide Active Adult housing (independent, age 55+)		21.66%	120
Provide Senior Living (dependent/nursing Care)		7.04%	39
Nothing		18.77%	104
Other (please specify)	Responses	5.96%	33
Total Respondents: 554			

- 91 respondents would consider purchasing a condo in Town Center; Purchase price - $175k to $350k; 114 said between $175k and $200k
- 319 respondents said a waterfront/view would be more appealing; pricing between $300k to $750k
- Why didn't you choose Nassau Bay??? No housing in price range (12%), housing stock too old and needs updating (15%), flooding was a concern (15%)

Of the respondents that said there was no housing in their price range (total of 66 or 43.9%), the majority of these earn between $75,000 and $150,000, currently reside in 77058 zip, and their single-family detached home is valued at $150,000 to $300,000. This group said they would purchase a condo priced between $175k and $200k in Town Center (45.5%) or a waterfront condo priced at $300k to $400k (45.3%).

As a comparison, respondents who have an income of $250,000 or greater currently live in a single-family home, 25% of these are waterfront. The value of their homes range from:

ANSWER CHOICES		RESPONSES	
less than $100,000		0.00%	0
$100,000 to $150,000		1.67%	1
$150,000 to $200,000		3.33%	2
$200,000 to $300,000		6.67%	4
$300,000 to $400,000		28.33%	17
$400,000 to $500,000		11.67%	7
$500,000 to $750,000		25.00%	15
Over $750,000		16.67%	10
I do not own my home		6.67%	4
Other (please specify)	Responses	0.00%	0
TOTAL			60

This group said more upscale housing, urban lofts, redeveloping older housing and provide active adult housing was necessary in Nassau Bay. Only 11% of this group would purchase a condo in Town Center while 67% would purchase a waterfront condo. 44% said they would pay between $300k and $500k for a water condo, an additional 20% said they would pay between $500k to $1m.

In this group, 60 live outside of Nassau Bay for the following reasons: housing stock was too old and needed updating, and flooding was a concern.

Survey Take Away: *Across the board, housing stock was too old and needed updating appears to be a factor for those looking for homes in Nassau Bay. Condominiums appeal to many, especially if located along water. Active Adult housing as well as density in the form of patio homes and townhomes appeal to respondents.*

Building Permits

The following are permits from 2012 – 2018 from the City of Nassau Bay. In the last three years there have been 9 single family residential permits (one was for the same house, different owner).

City of Nassau Bay's

New Buildings Commercial & Residential 2012-2019

01/01/12 to 05/15/19

Project Number	Project Type	Project Description	Permit Issued Date	Owner Name	Contractor Name	Value	Building Valuation

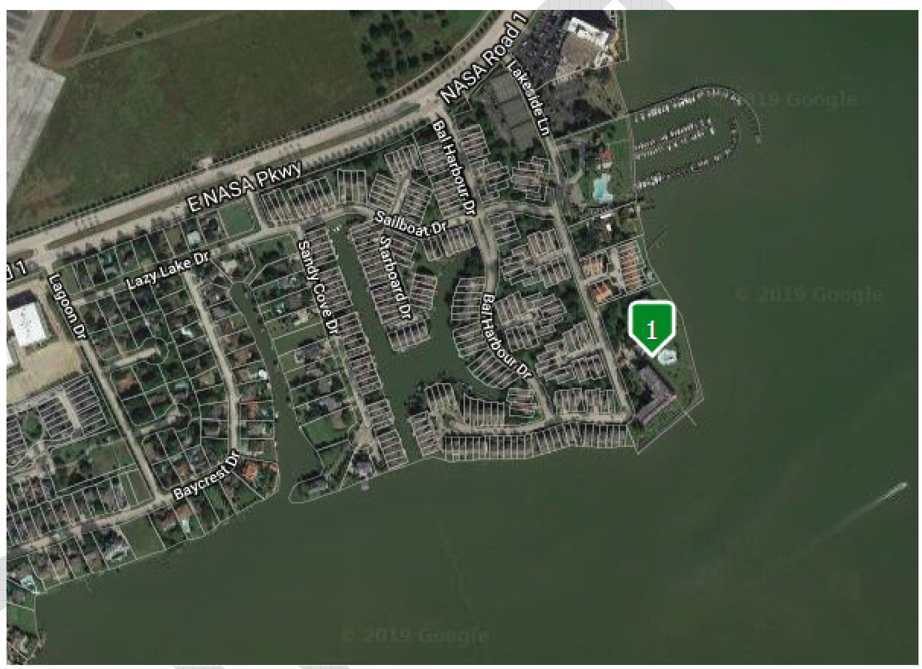
HOME - 16 - 0457	New Home Permit	New residential construction along waterfront	11/14/2016	Ali and Farahnaz Habibi	Endalwaght	$500,000.00
HOME - 16 - 0528	New Home Permit	Completion of a new home that started as permit number HOME-14-0261. This is a new owner	08/10/2016	Mr. Naeem & Saima Bhaidani	Rosa Isela Jones	$468,750.00
HOME - 17 - 0256	New Home Permit	New residential construction	09/25/2017	Martin Venable Martin Venable	John Jamar	$337,500.00
HOME - 18 - 0771	New Home Permit	New home construction	04/08/2019	Nelson & Melisa Alvarado	David Boone	
HOME - 12 - 0105	New Home Permit	New Single Family House	04/12/2012	Barkley Mark & Tetyana	Peter Koumbis	
HOME - 13 - 0365	New Home Permit	New single family dewelling	12/16/2013	Spencer Frederick & Susanne	Ann Hancock	
HOME - 14 - 0261	New Home Permit	New home construction	05/01/2014	Mr. Naeem & Saima Bhaidani	Robert Bryan	
HOME - 16 - 0413	New Home Permit	New home construction	06/23/2016	Jason Reynolds	Ann Hancock	$300,000.00
HOME - 16 - 0667	New Home Permit	New home to be built on empty lot	12/20/2016	Jim and Cheryl Stephens	Allen Minter	
HOME - 16 - 0702	New Home Permit	New home on vacant lot. This project was canceled before construction began. The lots were not properly consolidated, the owner never filed the Deed with Harris County	12/28/2016	Nelson & Melisa Alvarado	Nelson Alvardo	$600,000.00

HOME - 17 - 0274	New Home Permit	Construction of new single family residence.	05/24/2017	Brian Johnson & Jennifer A Haass	Ann Hancock	$450,000.00	450000

CONDOMINIUMS

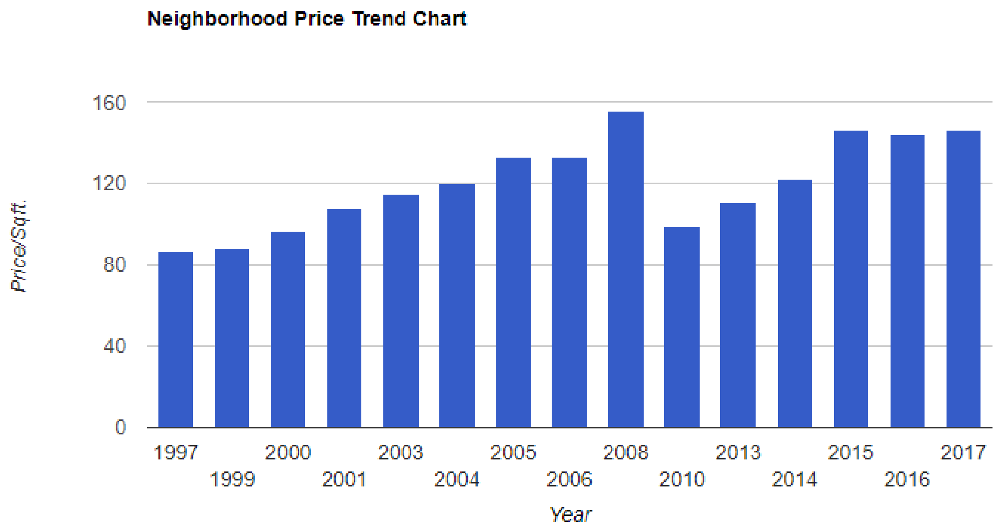
There is currently one condominium project in Nassau Bay. Bayfront Towers includes 74 units built in 1978. The median square footage is 1,060 in the 1/1 units. The median appraised value is $153,783. There is currently one condo listing in Bayfront Towers on the water. The condo is listed for $159,900 or $180.07psf (888sf).

Figure 10: Nassau Bay Condo Listing



- One condo has sold in 2019. Also located at Bayfront Towers, the condo sold for $135,000 or $155.53psf (868sf).
- In 2018, one condo sold in Bayfront. This unit sold for $168.92psf or $150,000. The unit was totally updated.

The price trend based on MLS sold data indicates that condos in this complex have sold for $96.70 to $155.66psf (2008) from 2000 to 2017. More recently, condos are selling in the $140s psf on average.



Single Family

There are currently nine "listings" in Nassau Bay. They range from $234,500 to $595,000. The average list price is $121.28psf. As seen, the homes are older ranging from 1964 to 1992. Many of the homes need updating and are not "open concept" floor plans that are so popular today.

Table 35: Nassau Bay SF Current Listings

Status: Active (9)

Property Type: Single-Family (9)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt
Min	2,142	3	2		1964	0.17	7,616	$234,500	$98.65
Max	4,248	4	4	1	1992	0.60	26,053	$595,000	$151.28
Avg	2,855	4	2	1	1969	0.26	11,384	$347,154	$121.28
Median	2,850	4	2	1	1965	0.22	9,460	$330,000	$121.38

In 2019, there have been four sales in Nassau Bay with prices ranging from $135,000 to $356,400. The average sales price was $252,850 while the median was $260,000. These homes range from 1963 to 1968. Some of these homes have updates (from original) with traditional floor plans.

Table 36: Nassau Bay SF 2019 Sales

Status: Sold (4)

Property Type: Single-Family (4)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price
Min	1,694	3	2		1963	0.23	9,009	$159,900	$94.39	$439,285.71	$135,000
Max	2,619	4	2	1	1968	0.36	15,855	$359,900	$137.42	$1,335,350.04	$356,400
Avg	2,214	4	2	1	1966	0.31	12,303	$269,425	$119.22	$957,855.68	$252,850
Median	2,271	4	2	1	1965	0.33	12,173	$278,950	$122.54	$1,098,931.30	$260,000

In 2018, there were 23 home sales ranging from $145,000 to $618,000. These homes were built from 1962 to 1984. On average they sold for $126.64psf, the median was $131.47psf.

Table 37: Nassau Bay SF 2018 Sales

Status: Sold (23)

Property Type: Single-Family (23)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price
Min	1,760	3	2		1962	0.12	5,248	$179,900	$94.11	$821,982.15	$145,000
Max	3,275	5	3	1	1984	0.43	18,550	$639,000	$248.64	$1,748,323.88	$618,000
Avg	2,442	4	2	1	1967	0.25	11,009	$322,334	$130.90	$1,307,348.78	$309,272
Median	2,434	4	2	1	1965	0.24	10,710	$333,800	$123.72	$1,273,745.17	$320,000

In 2017, there were 40 home sales ranging from $172,000 to $1,199,000. These homes were built from 1961 to 1997. On average they sold for $116.40psf. The median was $111.83psf.

Table 38: Nassau Bay SF 2017 Sales

Status: Sold (40)

Property Type: Single-Family (40)

	SqFt	BD	FB	HB	Yr Built	Acres	Lot Size	List Price	LP/SqFt	LP/Acre	Sale Price
Min	1,690	3	2		1961	0.21	4,748	$169,000	$61.73	-	$172,000
Max	6,078	6	5	2	1997	0.33	23,740	$1,199,000	$298.70	-	$900,000
Avg	2,706	4	2	1	1967	0.26	11,283	$331,784	$119.68	-	$314,979
Median	2,526	4	2	1	1965	0.23	10,233	$284,500	$115.64	-	$282,500

Source: MLS/HAR

TOWNHOMES

Townhomes in Nassau Bay include Heritage with no water views or access. Units were built in 1975.

Nassau Townhouse Sarah Deel with some water views. Built 1965

Bal Harbour Cove with waterfront, water access and waterview lots. Built 1978.

Meridian on Clear Lake, built 1993. Some units have waterfronts and waterviews.

Currently There are five active listings in Nassau Bay, they are all at Bal Harbour. Asking prices range from $349,000 to $589,000. Average list price is $151.20psf.

Table 39: Nassau Bay Townhome Listings

Status: Active (5)

Property Type: Townhouse/Condo (5)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt
Min	2,932	3	3		1975	3,000	$349,000	$119.03
Max	3,686	4	4		1991	3,645	$589,000	$171.47
Avg	3,254	3	3		1982	3,174	$495,580	$151.20
Median	3,295	3	3		1978	3,000	$549,900	$159.79

To date in 2019 there have been 4 townhomes sold. Prices ranged from $137,000 to $237,000. The average sales price was $105.94psf. The median price was $107.03psf. Bal Harbour had the highest price.

Table 40: Nassau Bay 2019 Townhome Sales

Status: Sold (4)

Property Type: Townhouse/Condo (4)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	Close Price Adj	SP/SqFt	F
Min	1,360	2	2		1965	20	$142,900	$105.07	$137,000	$137,000	$100.74	
Max	2,203	3	3	1	1993	3,842	$248,000	$112.85	$237,000	$236,500	$108.94	
Avg	1,812	3	2	1	1981	2,486	$201,450	$110.72	$192,875	$192,625	$105.94	
Median	1,841	2	2	1	1982	3,041	$207,450	$112.47	$198,750	$198,500	$107.03	

In 2018, there were 7 sales in Nassau Bay ranging from $126,000 to $337,000. Ages ranged from 1971 to 1993. The average pricing was $93.88psf while the median was $91.89. Bal Harbour had the highest sales.

Table 41: Nassau Bay 2018 Sales Townhomes

Status: Sold (7)

Property Type: Townhouse/Condo (7)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	Close Price Adj	SP/SqFt
Min	1,280	2	2		1971	1,239	$135,000	$72.56	$126,000	$126,000	$69.40
Max	3,170	4	3	1	1993	129,792	$365,000	$142.63	$340,000	$337,000	$132.86
Avg	2,300	3	2	1	1979	21,033	$220,129	$97.12	$213,143	$211,914	$93.88
Median	2,157	3	2	1	1978	3,000	$214,000	$89.49	$214,000	$212,500	$91.89

In 2017 there were 16 townhome sales in Nassau Bay. The sales ranged from $105,000 to $581,750. The average sales price was $111.77psf, the median was $114.39. Townhomes were older built from 1965 to 1995.

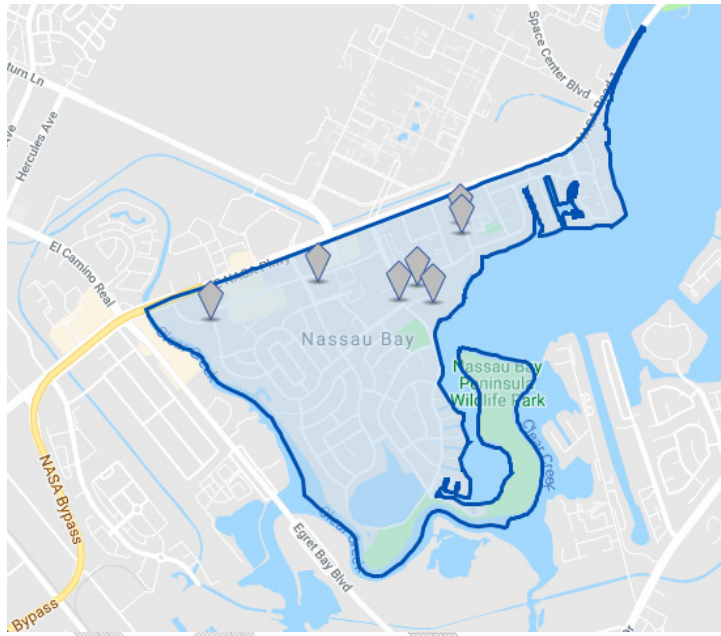
Table 42: Nassau Bay 2017 Townhome Sales

Status: Sold (16)

Property Type: Townhouse/Condo (16)

	SqFt	BD	FB	HB	Yr Built	Lot Size	List Price	LP/SqFt	Sale Price	Close Price Adj	SP/SqFt
Min	1,316	2	1		1965	1,873	$97,900	$74.39	$105,000	$105,000	$77.50
Max	3,686	4	3	1	1995	3,030	$575,000	$156.00	$581,750	$581,750	$157.83
Avg	2,543	3	3		1983	2,770	$301,688	$114.89	$293,541	$290,956	$111.77
Median	2,447	3	3		1982	2,999	$309,000	$120.29	$292,000	$291,000	$114.39

MULTIFAMILY



Within Nassau Bay there are 7 multifamily properties including 1,166 units. The average vacancy is 11.6% with asking rents at $1.26psf. Over the past twelve months, absorption has been positive at 9 units.

Historical Performance Trends

- Market rents have increased significantly over the past five years in Nassau Bay.
- Vacancy has somewhat stabilized since 2014.
- Absorption has been somewhat negative despite no addition on new units since 2009.

Figure 11: Vacancy and Rent

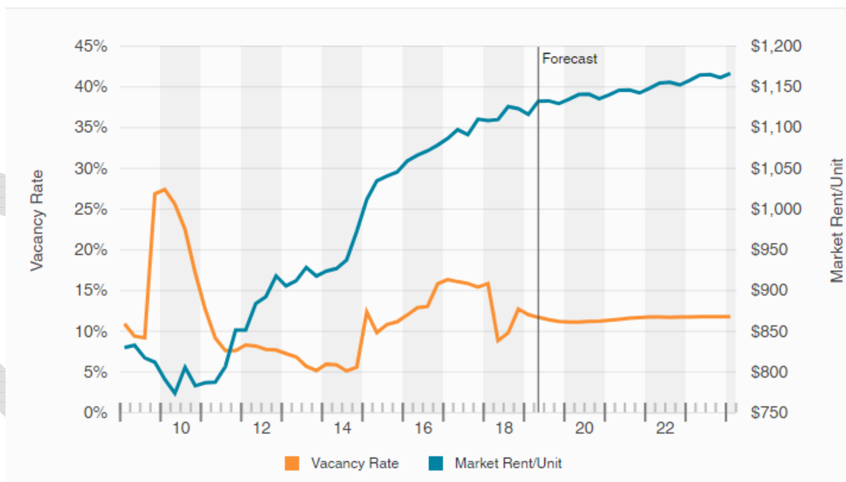
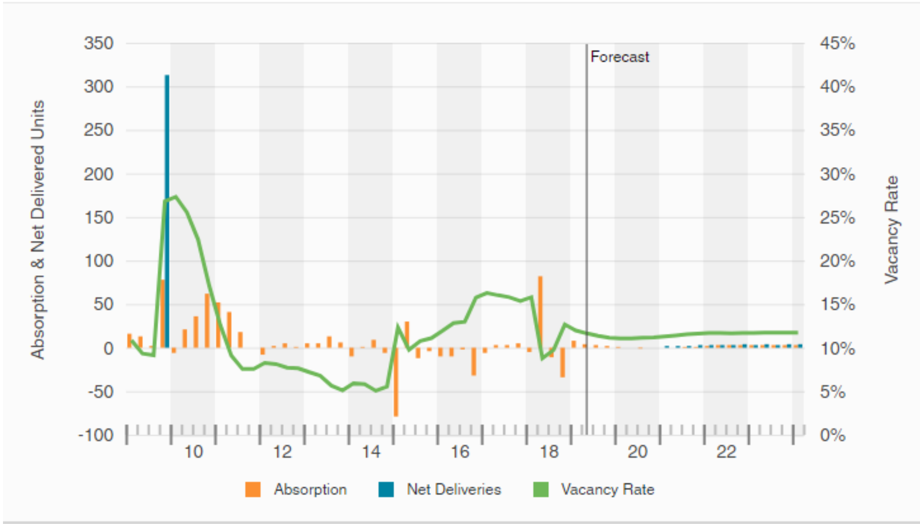


Figure 12: Absorption, Deliveries and Vacancy



Source: CoStar

Table 43 on the following page is a list of the current multifamily supply in Nassau Bay. All units are conventional market rate. There is one Class A property built in 2009 at the Town Center. The average age is 1966 in this market. There are no units currently under construction or proposed in this market. However, 344 units are under construction, The Caroline, within the one-mile radius of Nassau Bay.

There are no Senior Apartments in this market.

Table 43: Nassau Bay Multifamily Supply

Building Name	Building Address	Building Class	Style	Number Of Units	Avg Asking/SF	Avg Effective/Unit	Number Of 1 Bedrooms	Number Of 2 Bedrooms	Number Of 3 Bedrooms	Year Built	Avg Unit SF	Vacancy %	Year Renovated
Voyager at The Space Center	18101 Point Lookout Dr	A	Mid-Rise	313	1.64	1482	232	77	4	2009	963	4.47	
The Sapphire	2002 San Sebastian Ct	B	Low-Rise	248	1.25	1061	176	72		1967	882	31.85	2019
The Oaks at Nassau Bay	18100 Nassau Bay Dr	C	Garden	162	0.92	850	92	70		1968	1008	9.88	
Bay House	2041 San Sebastian Ct	C	Garden	190	1.16	938	110	76	1	1968	868	5.79	2015
Nassau Bay Villa	130 Surf Ct	C	Low-Rise	68	1.18	724	16	4	1	1963	617	4.41	
Victoria Lake Apartments	140 Surf Ct	C	Low-Rise	60	1.07	766	15	20	5	1963	722	6.67	
Aero on Upper Bay Apartments	18290 Upper Bay Rd	C	Garden	125	1.01	895	61	44	20	1968	896	8.8	1998
TOTALS/AVERAGES				**605**	**1.07**	**835**	**294**	**214**	**27**	**1966**	**822**	**7.1**	**2007**

Source: CoStar, ALN

PROJECTED HOUSING DEMAND

Potential Demand – Single Family Housing

Demand for new construction of single family homes is primarily rooted in the need to house additional population in an area. Therefore, we will quantify demand for new homes within the CMA based on the previously mentioned CDS/HGAC forecasts that have been prepared for the CMA as well as market performance within the CMA.

Table 44: Average Projections for the CMA

Market Area	2015	2020	2025	2030
Population	70,618	74,282	76,792	80,039
Households	32,142	32,877	33,687	34,602
Employment	53,254	54,758	56,013	57,590

Source: CDS, HGAC

To plan and project new housing units, the number of projected housing units is multiplied by the percentage of owners for single family homes. As shown using the 46.51% of households owning single family homes in the CMA (2018 estimate) there is a potential demand to support 203 new homes by 2030 based on current lot supplies.

Table 45: CMA Single Family Demand

Category	2015	2020	2025	2030
Total current and projected CMA households	32,142	32,877	33,687	34,602
Incremental housing unit demand		735	810	915
CMA single family demand (46.51%) p.22		341	376	425
Less CMA Available Lots p.39		-941	0	-222
CMA Single Family Demand		-599	376	203

Sources: US Census, American Community Survey, PCensus, CDS

At 2018, the Study Area has an estimated 10.3% (1673) of the overall CMA single family housing units (16190). Application of the capture rate to the CMA single family forecasted demand results in 59 homes by 2030 based on projected demand. At this time, Nassau Bay is limited by the amount of vacant land available to 28 single family homes.

Table 46: Study Area Single Family Demand

Category	2020	2025	2030
CMA Projected Single Family Demand	-599	376	203
Study Area housing unit demand (10.3%)		38	21
Study Area Single Family Demand Annually		**7**	**4**

Sources: US Census, American Community Survey, PCensus, CDS

Recommendations and Market Opportunities from Sales and Survey for Single Family:

Given the estimated demand of 59 homes by 2030, CDS recommends:

- Based on sales, townhomes are warranted in this market ranging in price from $200k to $500k.
- Entry level housing is also warranted in this market pricing from $175k to $250k. These could be patio homes in in-fill lots.

Potential Demand – Multifamily Housing

Demand for new market rate multifamily is primarily rooted in the need to house additional population in an area. Therefore, we will quantify demand for multifamily (includes apartments, duplexes – fourplexes, and condos), within the CMA based on the previously mentioned CDS/HGAC forecasts that have been prepared for the CMA as well as market performance within the CMA.

Table 47: Average Projections for the CMA

Market Area	2015	2020	2025	2030
Population	70,618	74,282	76,792	80,039
Households	32,142	32,877	33,687	34,602
Employment	53,254	54,758	56,013	57,590

Source: CDS, HGAC

To plan and project new housing units, the number of projected housing units is multiplied by the percentage of multifamily units. As shown using the 52.8% current multifamily units in the CMA (2018 estimate) there is a potential demand to support 44 new units through 2020 based on current units under construction and proposed. By 2025 there will additional demand for 427 units.

Table 48: CMA Multifamily Demand

Category	2015	2020	2025	2030
Total current and projected CMA households	32,142	32,877	33,687	34,602
Incremental housing unit demand		735	810	915
CMA multifamily demand (52.8%) p.33		388	427	483
Less CMA Pipeline Units		-344	0	0
CMA Multifamily Demand		**44**	**427**	**483**

Sources: US Census, American Community Survey, PCensus

At 2018, Nassau Bay has an estimated 19.9% (3,679) of the total CMA multifamily (18,480) currently. Assuming a 20% capture of the overall CMA multifamily units. Application of the capture rate to the CMA multifamily forecasted demand results in 8 units by 2020 and an additional 85 units by 2025 based on projected demand and an additional 96 thereafter.

Table 49: Study Area Multifamily Demand

Category	2020	2025	2030
CMA Projected Multifamily Demand	44	427	483
Nassau Bay MF housing unit Capture Rate (20.0%)	**8**	**85**	**96**

Sources: CDS Community Development Strategies

Recommendations and Market Opportunities from Sales and Survey for Multi Family:

- For the interim additional apartment units are not suggested due to the new Finger development (344 units).
- Condominiums are suggested in this market. Town Center location would command pricing from $175k to $350k. There is shown demand for 205 from respondents of the survey.
- Waterfront condos were also shown to be in demand. Pricing from $300k to $750k was shown by 319 respondents.
- Based on the survey, demand appears to be larger than the forecast would suggest. CDS recommends Condos in phases.

Potential Demand – Senior Housing

The total population aged 55 and older represents the primary pool of prospects that would be expected to populate a senior housing project over the near-term forecast window. From 2019 to 2024, the Seniors, age 45 and above will grow by 8.2% in a 1-mile radius and by 7.5% in a 3-mile radius. Currently 71,398 Seniors reside within a 3-mile radius of Nassau Bay with a median income of $90,851.

Table 50: Senior Life

Senior Life	Nassau Bay Radii 1 mile ring						Nassau Bay Radii 3 mile ring					
	2000/2010 Census	%	2019 Estimate	%	2024 Projection	%	2000/2010 Census	%	2019 Estimate	%	2024 Projection	%
Population*	**7,875**		**9,650**		**10,445**		**62,359**		**71,398**		**76,764**	
Percent Growth (2000 to 2024)***	17.16%		22.54%		8.24%		12.58%		14.49%		7.52%	
Population by Age*												
Total Population	**7,875**		**9,650**		**10,445**		**62,359**		**71,398**		**76,764**	
Age 45 to 54	1,148	14.58%	1,165	12.07%	1,262	12.08%	9,680	15.52%	9,196	12.88%	9,359	12.19%
Age 55 to 64	985	12.51%	1,321	13.69%	1,337	12.80%	7,277	11.67%	9,671	13.54%	10,373	13.51%
Age 65 to 74	624	7.93%	1,021	10.58%	1,322	12.66%	4,577	7.34%	6,796	9.52%	8,736	11.38%
Age 75 to 84	322	4.09%	502	5.20%	614	5.88%	2,300	3.69%	3,242	4.54%	3,978	5.18%
Age 85 and over	110	1.39%	167	1.73%	192	1.84%	881	1.41%	1,345	1.88%	1,524	1.99%

Using the same analysis as the market rate illustration, we have derived the demand for basic Age Restricted or Active Adult Apartment units (no medical services) based on household growth in the CMA and Study Area over the next five years. By 2023, there will be an additional 5,366 households in the CMA age 55 or 1,73 annually.

Although the exact percentage of the population who would live in senior living developments is unknown, 23.6% of the current householders age 55 and over are renters in the CMA – Table 51.

Table 51: Seniors Tenure by Age

Senior Life	1-Mile Radius						3-Mile Radius					
	2000/2010	%	2019	%	2024	%	2000/2010	%	2019	%	2024	%
	Census		Estimate		Projection		Census		Estimate		Projection	
Total Households	3,950		4,769		5,142		27,413		31,384		33,774	
Owner-Occupied	**1,527**		**1,955**		**2,115**		**13,367**		**15,201**		**16,288**	
Householder 55 to 64 years	360	23.59%	453	23.16%	439	20.75%	3,106	23.24%	3,837	25.24%	3,937	24.17%
Householder 65 to 74 years	288	18.86%	466	23.86%	577	27.27%	2,301	17.21%	3,213	21.14%	3,977	24.41%
Householder 75 to 84 years	191	12.51%	293	14.99%	345	16.30%	1,162	8.69%	1,580	10.39%	1,860	11.42%
Householder 85 years and over	57	3.71%	93	4.75%	106	5.00%	258	1.93%	428	2.81%	491	3.02%
Renter-Occupied	**2,422**		**2,814**		**3,027**		**14,046**		**16,183**		**17,487**	
Householder 55 to 64 years	263	10.84%	372	13.20%	386	12.77%	1,359	9.67%	1,960	12.11%	2,195	12.55%
Householder 65 to 74 years	125	5.16%	218	7.75%	301	9.94%	580	4.13%	968	5.98%	1,310	7.49%
Householder 75 to 84 years	43	1.77%	74	2.63%	101	3.35%	362	2.58%	530	3.28%	676	3.87%
Householder 85 years and over	22	0.92%	32	1.12%	36	1.20%	260	1.85%	371	2.29%	409	2.34%

CDS estimated that Nassau Bay could capture 100% of the CMA demand based on the current supply and demonstrated demand. The Study Area could capture 100% of the estimated market growth based on the percentage of households age 55+ currently renting in the Study Area and the lack of Senior Housing in the CMA. The total future Study Area household growth results in 1,266 additional renters in the next five years (by 2024) age 55+ (Table 52).

Table 52: CMA Senior Housing Demand Projections

Category	2019	2024
Study Area Senior HH Growth	71,398	76,764
Incremental Senior HH Growth		5,366
23.6% CMA Households age 55+ Renters		1,266

Source: US Census, American Community Survey, PCensus

Conclusions and findings include the following:

- 46 respondents to the online survey said Nassau Bay needed Senior Living (Active Adult)
- There are 100 Active Adult units in one market rate property; Rents are at $1.23psf with vacancy at zero.
- There are 204 units – Retirement Community offering independent living, assisted living and memory care. Offers gourmet dining, housekeeping, activities, etc.
- Senior Housing appears to be feasible at this time in the Study Area for “For Lease”
- For Lease units could be built in Town Center to provide “walkability” to Seniors plus the close proximity to medical services.
- Class B+ units would be appropriate for this market for market rate units. CDS assumes the market could bear rents in the $1.25psf average (current rates), with 1 and 2 bedroom units.
- Amenities should include Clubhouse, fitness center, multi-purpose room, library, arts & crafts, billiards, catering kitchen, pool, and walking/biking trails.

Retail Market

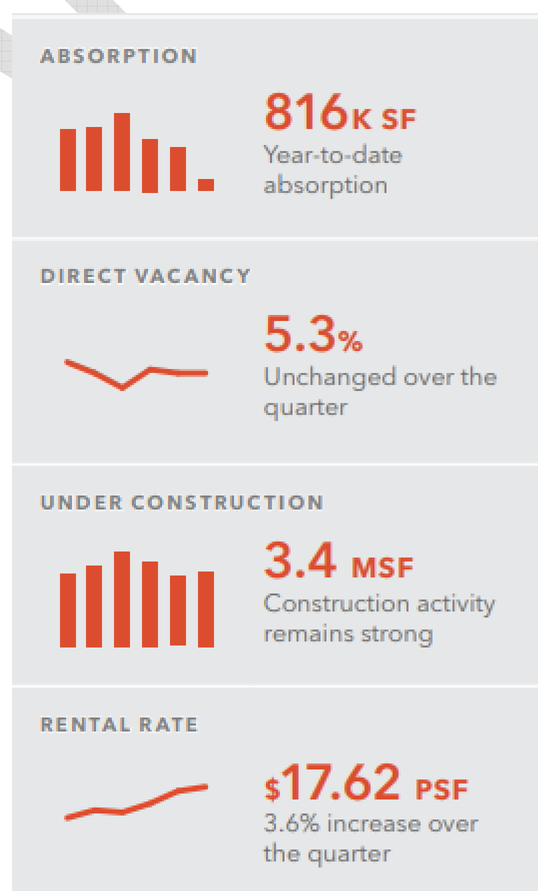
According to the 1Q2019 Transwestern Retail Market report, indicators for the Houston retail sector remained steady over the quarter as vacancy was unchanged, rental rates increased, and absorption was in the black. The sector continues to evolve, influenced by the rapid growth of e-commerce and the experiential nature of hospitality. Despite the growth of e-commerce, brick-and-mortar locations continue to be in high demand as retailers look to a multi-channel approach that caters to a consumer's need to touch and see the product before purchasing online. Additionally, this reduces the number of returns which are artificially inflated via online sales. As such, Warby Parker, formerly an online-only glasses retailer, opened their fourth Houston location in Highland Village in March.

As a gateway market for retailers, Grocery-Anchored and Mixed-Use projects remain the preferred asset types amongst both developers and investors. As such, HEB broke ground on a 90K SF store in the Third Ward, while Sprouts opened a new 30K SF store in Sugar Land. Additionally, a new mixed-use development, Heights Mercantile, was acquired in an off-market purchase. The construction pipeline currently sits at 3.4 million SF, a decline from its peak in 2016 as developers require large prelease commitments before breaking ground on new projects.

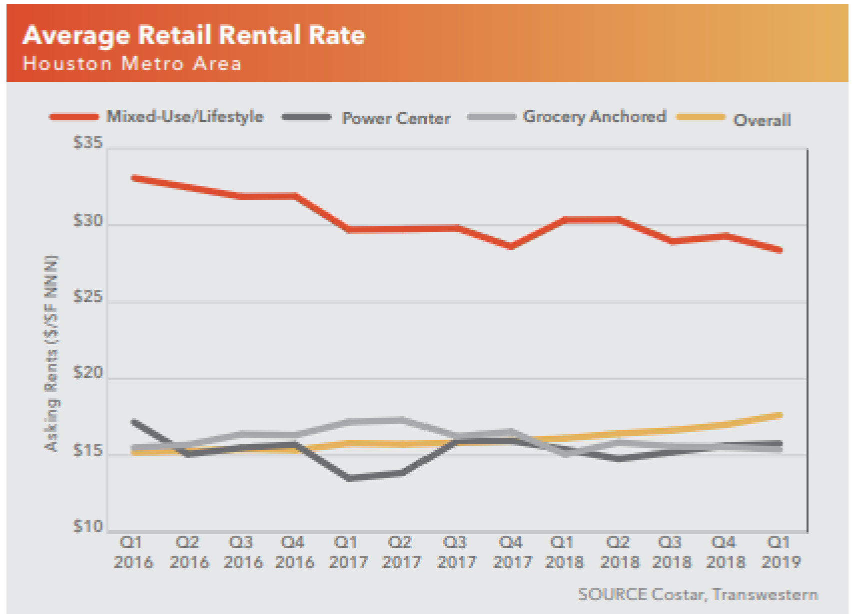
Big box retailers and regional malls continue to face headwinds as several retailers have recently closed their doors including LifeWay Christian Resources, Payless ShoeSource, Signet Jewelers and Charlotte Russe. Despite turmoil amongst retailers, new and expanding vendors are ready to backfill well-located space as quality locations remain limited across the metro.

The retail sector lost 5,900 jobs in the 12 months ending in March, as fourth quarter job growth was 29% below the 10-year average with only 10,600 created over the period. Retail sales through the third quarter of 2018 totaled $90.4 billion in the Houston metro area. Although metro data has not been released for the fourth quarter, national retail sales in December declined 1.2% month-over-month. This is a sharp decline as the sector was expected to increase 0.2% over the month as holiday shopping typically boosts sales. Despite the decline nationally, retail sales in the Houston market are still anticipated to perform well in 2018.

In the first quarter, the overall direct vacancy for the retail sector was 5.3%, unchanged from the previous quarter and up from the first quarter of 2018. Total availability rose to 7.3%. Mixed-Use/Lifestyle currently sits at 2.3% vacant, down from 2.8% at year-end and down from 3.6% at Q1 2018. Direct vacancy for Grocery-Anchored centers was 3.6%. Power Centers have the highest vacancy of all core retail property types with direct vacancy at 5.2%, a slight increase from 5.0% in the fourth quarter of 2018 and up from 3.4% in the first quarter of 2018.



Retail asking rates for the overall Houston market ended the first quarter at $17.62 per SF NNN, a 3.6% increase quarter-over-quarter and a 9.4% increase year-over-year. The Mixed-Use/Lifestyle sector continues to have the highest rental rates of all the core retail sectors recording $28.36 per SF NNN in the first quarter, a decline from $29.28 per SF NNN in the fourth quarter and down from $30.33 per SF NNN year-over-year. Weighted average asking rents for Mixed-Use/ Lifestyle have fallen as premier space has been leased, leaving second generation space on the market. Grocery-Anchored centers rents were up to $15.77 per SF NNN, a 0.8% increase over the quarter and a 2.5% increase over the year. Rental rates for Power Centers closed the quarter at $15.38 per SF NNN, which is a slight decline from $15.55 per SF NNN last quarter but is up from $15.07 per SF NNN in Q1 2018.



The Houston retail market looks to carry its strong performance through the balance of the year as the construction pipeline has fallen from its peak levels in 2016, e-commerce and technology continue to impact the sector, and national retailers look to Houston as a gateway market. The development pipeline is anticipated to remain in check as developers require large prelease commitments before breaking ground on new projects. Additionally, technology will play a more prevalent role as retailers make a push on services to better suit their customer's needs. As such, Kroger debuted their new autonomous delivery service for the Houston market, making grocery shopping more convenient for its customers. Even as struggles at the national retail level persist, the Houston market is poised for growth over the period ahead given its strong underlying fundamentals.

Nassau Bay Submarket

Nassau Bay lies within the NASA/Clear Lake submarket for retail. Currently there is 28,085,252 square feet in the submarket. The vacancy is 4.8% with rents at $18.21psf overall. The forecast is for positive growth and absorption.

Figure 13: Submarket Overview

Overview

NASA/Clear Lake Retail

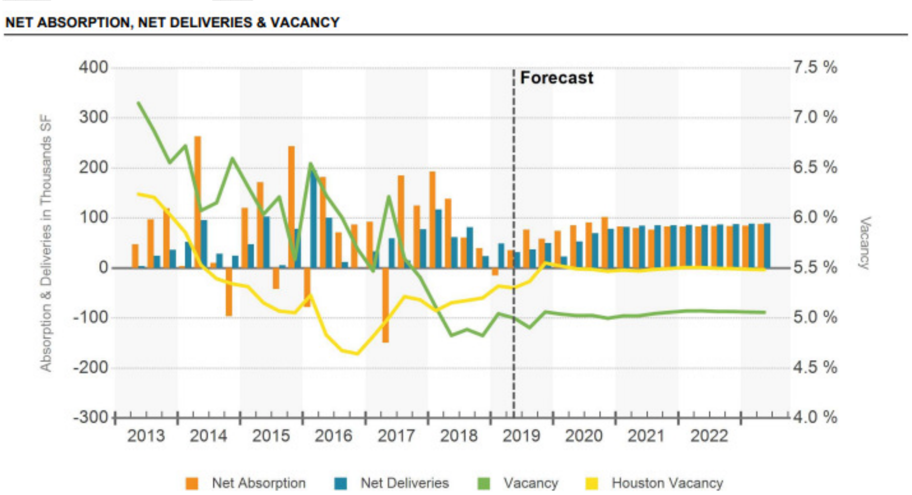
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
208 K	198 K	4.8%	2.0%

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	857,388	4.2%	$19.87	31.5%	0	0	0
Power Center	3,197,174	4.7%	$21.38	4.8%	(3,200)	0	0
Neighborhood Center	8,360,094	6.7%	$18.65	8.5%	14,978	0	0
Strip Center	2,618,457	8.1%	$18.64	8.7%	24,486	0	0
General Retail	13,052,139	3.0%	$16.96	4.0%	31,164	0	118,095
Other	0	-	-	-	0	0	0
Submarket	**28,085,252**	**4.8%**	**$18.21**	**6.7%**	**67,428**	**0**	**118,095**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	7.3%	5.0%	10.5%	2009 Q1	4.8%	2019 Q2
Net Absorption SF	198 K	361,939	301,379	1,149,857	2009 Q3	(328,237)	2007 Q2
Deliveries SF	208 K	370,187	300,740	1,190,059	2008 Q4	67,392	2013 Q2
Rent Growth	2.0%	1.8%	1.2%	4.3%	2014 Q3	-2.3%	2010 Q2
Sales Volume	$24.3 M	$42.8M	N/A	$110.9M	2012 Q1	$7.1M	2006 Q4

Source: CoStar



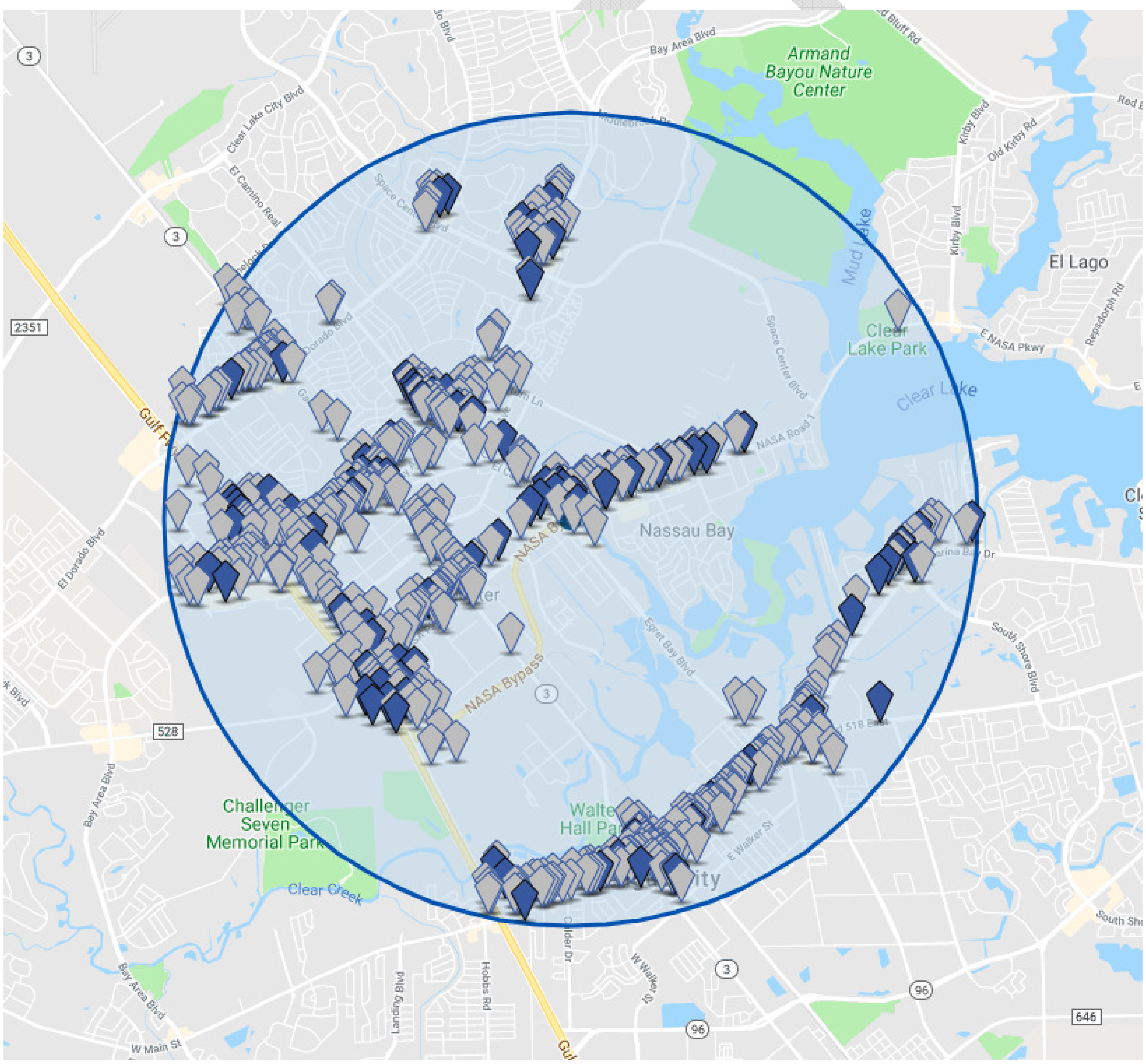
CMA – 3-mile radius

Within the 3-mile radius of Nassau Bay, the retail market includes 10.6 million square feet of space. Another 150,000sf is under construction and 169,759sf proposed. Vacancy is at 8.1% while rents are at $21.16psf NNN. Over the past year, absorption was negative at 157,000sf.

Figure 14: CMA Retail Overview

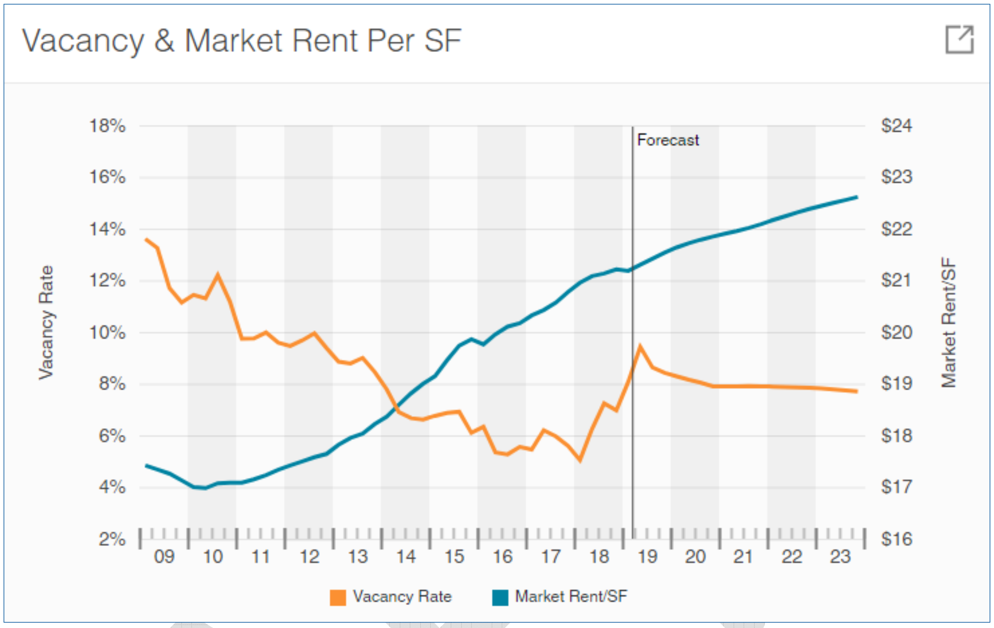
INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF
10.6 M +1.6%	150 K -54.6%	(157 K) -420.8%	8.1% +3.0%	$21.16 +1.1%
Prior Period 10.5 M	Prior Period 330 K	Prior Period 49 K	Prior Period 5.1%	Prior Period $20.93

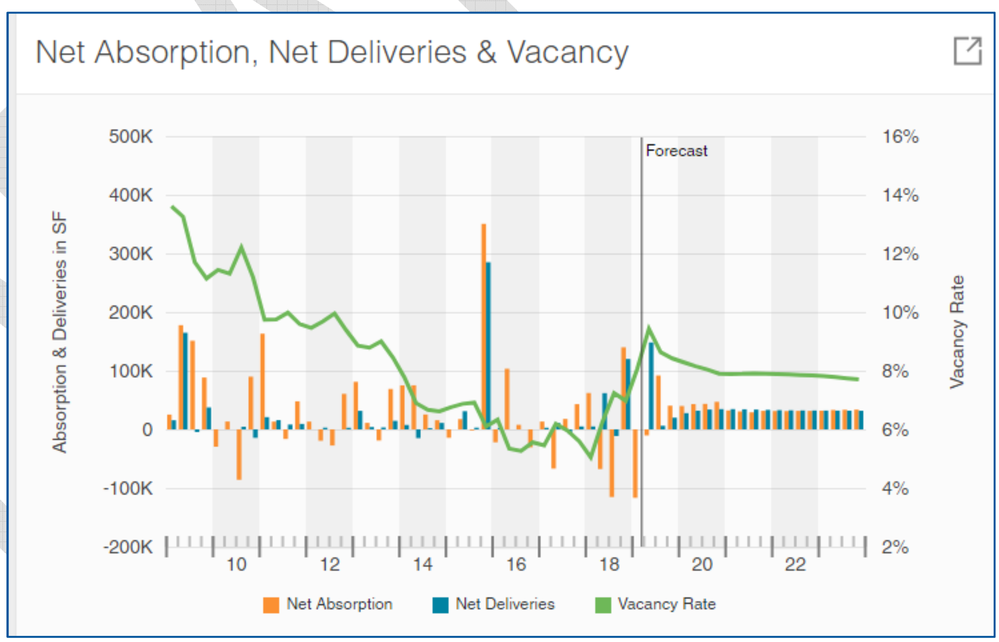
Figure 15: Map of CMA Retail



Retail Trends

- Vacancy had steadily been declining since 2009 from 14% to all time low of 5% in 2017.
- Rents have been increasing from $17psf and are projected to continue up to $23psf
- Absorption fluctuates in this market. Most recently it was negative with construction deliveries.





Source:CoStar

CMA Retail Supply

The following is a list of the current supply in the CMA (3-mile radius). Proposed properties are notated in pink highlight while under construction properties are orange.

Table 53: CMA Retail Supply

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
602 W Main St		General Retail	League City	2000	216		Withheld	12.04
1120 E Main St		General Retail	League City	1997	546		-	100
1208 E Main St		General Retail	League City	1972	659		-	100
320 E Main St		General Retail	League City	1983	750		-	100
314 N Tx-3 Hwy		General Retail	League City	1955	762		-	100
202 E Main St		General Retail	League City	1972	810		-	100
814 E Main St		General Retail	League City	1955	840		-	100
812 E Main St		General Retail	League City		880		-	100
915 E Main St		General Retail	League City	1967	883		-	100
201 Tx-3 Hwy		General Retail	League City	1965	1016		-	100
1159 W Main St		General Retail	League City	1996	1084		-	100
104 N Michigan Ave		General Retail	League City	1977	1098		-	100
2202 E Main St		General Retail	League City	1986	1145		-	100
213 E Main St		General Retail	League City	1972	1171		-	100
613 2nd St		General Retail	League City	1985	1181		-	100
111 Magnolia St		General Retail	League City	1977	1196		-	100
1405 W Main St		General Retail	League City	1986	1197		-	100
241 Fm-270	Former Shakes	General Retail	League City	2003	1300		-	100
520 Dallas St		General Retail	League City	1957	1339		-	100
906 W Main St		General Retail	League City	1975	1340		-	100
2311 Fm 518 E	Sonic	General Retail	League City	1999	1368		-	100
120 W Bay Area Blvd		General Retail	Webster	1984	1400		-	100
112 N Tx-3 Hwy		General Retail	League City	1968	1409		-	100
17624 Tx-3		General Retail	Webster	1979	1425		-	100
1033 Bay Area Blvd		Neighborhood Center	Houston	1978	1450		-	100
1227 Bay Area Blvd		Strip Center	Houston	1976	1465		-	100
109 Magnolia St		General Retail	League City	1980	1491		-	100
608 2nd St		General Retail	League City	1955	1520		-	100
926 E Main St		General Retail	League City	1975	1521		-	100
923 Bay Area Blvd	Einstein Bros. Bagels	General Retail	Houston	1970	1536		-	100
416 S Tx-3 Hwy		General Retail	League City	2000	1540		-	100
1311 Nasa Pky		General Retail	Houston	1973	1542		-	100
1700 W Main St		General Retail	League City	1983	1579		-	100
1110 E Main St		General Retail	League City	1975	1600		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
1208 Nasa Pky		General Retail	Houston	1969	1657		-	100
601 E Main St		General Retail	League City	2009	1672		Withheld	100
103 Henrietta Ave		General Retail	Webster	1985	1685		-	100
2454 Marina Bay Dr		General Retail	League City	2013	1686		-	100
249 El Dorado Blvd		General Retail	Webster	2009	1690		-	100
1910 NASA Pkwy	Shell	General Retail	Houston	1960	1692		-	100
240 Park Ave		General Retail	League City		1700		-	100
1015 E Main St		Strip Center	League City	1930	1733	1989	-	100
1813 E Main St		General Retail	League City	1988	1742		-	100
16623 Sea Lark Rd		General Retail	Houston	1974	1758		-	100
100 E Main St	Starbucks	General Retail	League City	2006	1772		-	100
1199 Nasa Pky		General Retail	Houston	1979	1798		-	100
905 E Main		General Retail	League City	1967	1800		-	100
1013 E Main St		Strip Center	League City	1911	1800	1991	-	100
959 W Nasa Rd 1 Rd		General Retail	Webster	1976	1808		-	100
17940 El Camino Village Dr		Neighborhood Center	Houston	1976	1900		-	100
612 N Tx-3 Hwy		General Retail	League City	2011	1931		-	100
1580 W Main St	Speedemission	General Retail	League City	1986	1936		-	100
1726 E Main St		General Retail	League City	1983	1989		-	100
116 Houston Ave		General Retail	League City	1976	1990		-	100
101 W Main St		General Retail	League City	1995	2016		-	100
131 League St		General Retail	League City	1998	2069		-	100
345 S Egret Bay Blvd		General Retail	League City		2085		-	100
16760 Highway 3		General Retail	Webster	2001	2092		-	100
916 E Main St		General Retail	League City	1975	2093		-	100
18003 El Camino Real		General Retail	Houston	1975	2100		-	100
222 N Tx-3 Hwy		General Retail	League City	1979	2100		-	100
1526 E Main St		General Retail	League City	1980	2117		-	100
2340 Marina Bay Dr	Dunkin Donuts	General Retail	League City	2014	2150		-	100
111 S Tx-3 Hwy		General Retail	League City	1997	2153		-	100
831 W Main St		General Retail	League City	1974	2162		-	100
251 El Dorado Blvd		General Retail	Webster	2009	2169		-	100
1945 El Dorado Blvd		General Retail	Houston	1991	2173		-	100
395 W Main St		Neighborhood Center	League City	1981	2180		-	100
214 S Iowa Ave		General Retail	League City	1996	2200		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
2320 Nasa Pky		General Retail	Houston		2200		-	100
15655 Space Center Blvd		General Retail	Houston	1989	2208		-	100
330 E Medical Center Blvd		General Retail	Webster	2008	2226		-	100
2103 E Main St		Neighborhood Center	League City	1998	2228		-	100
1153 W Main St		General Retail	League City	1995	2237		-	100
630 Gemini St		General Retail	Houston	1987	2240		-	100
2420 Bay Area Blvd		Neighborhood Center	Houston	1989	2252		-	100
920 W Main St		General Retail	League City	1968	2265		-	100
815 E Main St		General Retail	League City	1975	2296		-	100
2405 Bay Area Blvd		General Retail	Houston	1992	2307		-	100
306 N Tx-3 Hwy		General Retail	League City	1965	2313		-	100
1246 E Main St		General Retail	League City	1995	2316		-	100
1501 Bay Area Blvd		General Retail	Houston	2011	2338		-	100
2406 Bay Area Blvd		Neighborhood Center	Houston	2000	2356		-	100
620 Nasa Rd 1		General Retail	Webster	1955	2378		-	100
2460 Marina Bay Dr		General Retail	League City	1996	2380		-	100
903 El Dorado Blvd		General Retail	Houston	1974	2390		-	100
105 Live Oak St		General Retail	Webster	1973	2406		-	100
1505 W Bay Area Blvd		General Retail	Webster	1991	2448		-	100
1904 El Dorado Blvd		Neighborhood Center	Houston	1980	2453		Withheld	100
402 W Main St		General Retail	League City	1974	2457		-	100
153 N Fm 270		General Retail	League City		2460		-	100
1600 W Main St		General Retail	League City	1984	2476		-	100
1601 W Main St		Neighborhood Center	League City		2492		-	100
507 El Dorado Blvd		General Retail	Houston	1983	2499		-	100
20915 Gulf Fwy	Pad I	Community Center	Webster		2500		Withheld	0
E Nasa Pkwy & N Sarah Deel Dr		General Retail	Webster	2018	2500		-	100
1638 E Main St		General Retail	League City	1973	2533		-	100
418 El Dorado Blvd	Jack in the Box	General Retail	Webster	1990	2534		-	100
1230 E Main St		General Retail	League City	1979	2539		-	100
1010 Bay Area Blvd		Neighborhood Center	Houston	1997	2545		-	100
1632 E Main St		General Retail	League City		2565		-	100
420 S Tx-3 Hwy		General Retail	League City	2000	2568		Withheld	0
319 E Galveston St		General Retail	League City	2016	2600		-	100
1060 Bay Area Blvd		General Retail	Houston	2006	2611		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
517 El Dorado Blvd		General Retail	Webster	1979	2639		-	100
17380 El Camino Real		General Retail	Houston	1968	2640		-	100
225 El Dorado Blvd	Starbucks	General Retail	Webster	2015	2647		-	100
2727 Bay Area Blvd		General Retail	Houston	1997	2662		-	100
1021 W Main St		General Retail	League City	1994	2672		-	100
610 E Main St		General Retail	League City	1950	2679		-	100
704 Nasa Rd 1		General Retail	Webster	1968	2681		-	100
18327 Gulf Fwy	Taco Bell	General Retail	Webster	2011	2682		-	100
1908 E Main St		General Retail	League City	1994	2712		-	100
809 E Main St		General Retail	League City	1990	2715		-	100
16600 El Camino Real		General Retail	Houston	1986	2738		-	100
100 Pecan Dr		General Retail	League City	2012	2740		-	100
300 N Tx-3 Hwy		General Retail	League City	1975	2746		-	100
16500 El Camino Real		Neighborhood Center	Houston	1965	2760		-	100
16810 Old Galveston Rd		General Retail	Webster	1989	2760		-	100
304 W Main St		General Retail	League City	1973	2783		-	100
481 W Bay Area Blvd		General Retail	Webster	2017	2800		Withheld	5
630 W Nasa Rd 1	Nascar Oil & Lube	General Retail	Webster	1986	2800		-	100
1052 E Nasa Rd 1		Strip Center	Houston	2006	2801		-	100
2160-2162 Bay Area Blvd		Strip Center	Houston	1979	2823		-	100
419 E Galveston St		General Retail	League City	1977	2849		-	100
125 El Dorado Blvd	Carl's Jr.	General Retail	Webster	2012	2911		-	100
1525 Bay Area Blvd	Dunkin Donuts	General Retail	Houston	2015	2926		-	100
1803 El Dorado Blvd		General Retail	Houston	1970	2940		-	100
1630 E Main St		General Retail	League City	1983	2976		-	100
310 W Bay Area Blvd		General Retail	Webster	1995	2989		-	100
1041 W Bay Area Blvd	My Fit Foods	Power Center	Webster	1996	3000		-	100
16608 El Camino Real		General Retail	Houston	1969	3000		-	100
16305 Galveston Rd		General Retail	Webster		3000		-	100
1530 E Main St	Redevelopment Site	General Retail	League City	1980	3000		Withheld	45.37
1740 W Main St		General Retail	League City	1981	3000		-	100
2825 Bay Area Blvd		General Retail	Houston	1998	3027		-	100
1043 W Bay Area Blvd	Chevron	Power Center	Webster	1996	3046		-	100
2404 Bay Area Blvd		General Retail	Houston	1987	3057		-	100
17010 Old Galveston Rd		General Retail	Webster	1986	3059		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
505 Bay Area Blvd	McDonalds	Strip Center	Houston	1995	3060		-	100
104 N Tx-3 Hwy		General Retail	League City	1970	3070		-	100
100 W Nasa Rd 1		General Retail	Webster	1984	3106		-	100
1710 E Main St		General Retail	League City	1982	3125		-	100
3022 Marina Bay Dr		General Retail	League City	1995	3139		-	100
535 El Dorado	Burger King	General Retail	Webster	1985	3147		-	100
210 Highway 3 N		Strip Center	League City	2008	3150		-	100
1360 Nasa Pky		General Retail	Houston	2000	3150		-	100
220 S Tx-3 Hwy		Strip Center	League City	2008	3150		-	100
529 El Dorado Blvd	Jiffy Lube	General Retail	Webster	1986	3168		-	100
2326 Nasa Pkwy		General Retail	Houston	1981	3168		-	100
164 Gulf Fwy S		Neighborhood Center	League City		3200		-	100
16902 Highway 3	Nasa Veterinary Clinic	General Retail	Webster	1968	3200		-	100
930 W Bay Area Blvd		Community Center	Webster	2006	3215		-	100
218 Walnut St		General Retail	Webster	1956	3239		-	100
2212 E Main St		General Retail	League City	1993	3267		-	100
1120 W Main St		General Retail	League City	1990	3274		-	100
2206 E Main St	Jiffy Lube	General Retail	League City	1993	3285		-	100
938 Gemini St		General Retail	Houston	2000	3301		-	100
102 Hwy 3 S	McDonald's	General Retail	League City	2007	3309		-	100
1109 Bay Area Blvd		General Retail	Houston	1983	3310		-	100
1441 W Bay Area Blvd		Power Center	Webster	1986	3314		-	100
1725 El Dorado Blvd		General Retail	Houston	1977	3319		-	100
20971 Gulf Fwy	Steak N Shake	Community Center	Webster	2013	3319		-	100
597 W Main St		General Retail	League City	1992	3321		-	100
902 Ramada Dr		General Retail	Houston	1972	3329		-	100
1702 Nasa Pky		General Retail	Houston	1985	3360	2017	-	100
1806 W Bay Area Blvd		General Retail	Friendswood	2011	3366		-	100
120 S Fm 270 Rd		Neighborhood Center	League City	2002	3379		-	100
20915 Gulf Fwy	Pad B	Community Center	Webster		3386		-	100
20700 Gulf Fwy		Power Center	Webster	2005	3395		-	100
410 W Main St		General Retail	League City	1999	3410		-	100
502 El Dorado Blvd		General Retail	Webster	1983	3434		-	100
702 W Bay Area Blvd	Barbazzar	General Retail	Webster	2011	3500		-	100
1350 W Bay Area Blvd		General Retail	Friendswood	1990	3500		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
550 El Dorado Blvd		Neighborhood Center	Webster	1984	3500		-	100
580 El Dorado Blvd		Neighborhood Center	Webster	1979	3504		-	100
235 S Egret Bay Blvd	Advance Auto Parts	General Retail	League City	2007	3520		-	100
1410 W Main St		General Retail	League City	1996	3531		-	100
125 E Galveston St		General Retail	League City	1999	3540		-	100
603 E Main St		General Retail	League City	1980	3563		-	100
245 El Dorado Blvd	Citgo Gas & Quik Mart	General Retail	Webster	1993	3568		-	100
710 E Main St		General Retail	League City	1999	3582		-	100
390 W Main St		General Retail	League City	1970	3592		-	100
1645 E Main St		General Retail	League City	2010	3680		-	100
1212 Nasa Pky		General Retail	Houston	1969	3705		-	100
200 N Tx-3 Hwy		General Retail	League City	1965	3718		-	100
2747 Bay Area Blvd		General Retail	Houston	1997	3725		-	100
1116 E Main St		General Retail	League City	1987	3726		-	100
19403 Gulf Fwy	Baybrook Passage	Community Center	Webster	2002	3742		-	100
2424 Bay Area Blvd		General Retail	Houston	1979	3746		-	100
3034 Marina Bay Dr	Burger King	General Retail	League City	2003	3822		-	100
400 S Tx-3 Hwy		General Retail	League City	1987	3849		-	100
18335 Gulf Fwy		Community Center	Webster		3866		-	100
15230 Old Galveston Rd		General Retail	Webster	1981	3876		-	100
595 W Main St		General Retail	League City	1984	3892		-	100
16630 El Camino Real		General Retail	Houston	1969	4000		-	100
850 S Kobayashi Rd	Jacks Plaza Webster	General Retail	Webster	2013	4000		-	100
16532 Sea Lark Dr		General Retail	Houston	1985	4000	2014	-	100
1400 N Texas Ave		General Retail	Webster	2019	4000		-	100
19210 Gulf Fwy		Neighborhood Center	Friendswood	1992	4010		-	100
16611 Sea Lark Rd		General Retail	Houston	1970	4079		-	100
2415 Bay Area Blvd		General Retail	Houston		4100		-	100
100 Medical Center Blvd		General Retail	Webster	1993	4100		-	100
1632-1636 E Main St		General Retail	League City	1974	4124		-	100
2982 Marina Bay Dr		Neighborhood Center	Kemah	2001	4135		-	100
16614 Sea Lark Rd		General Retail	Houston	1973	4138		-	100
379 W Bay Area Blvd		General Retail	Webster	1979	4141		-	100
16634 Sea Lark Rd	Sea Lark Retail Center	Strip Center	Houston	1970	4245		-	100
914 NASA Pky	NASA RD FLASH GAS	General Retail	Houston	2017	4256		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
705 W Bay Area Blvd		General Retail	Webster	1987	4262		-	100
901 E Main St		General Retail	League City	1972	4300		-	100
405 E Main St		General Retail	League City		4301		-	100
1195 E Main St		General Retail	League City	1970	4352		-	100
19305 Gulf Fwy		Neighborhood Center	Webster	2005	4385		-	100
2500 Bay Area Blvd		General Retail	Houston	1993	4397		-	100
471 W Bay Area Blvd		General Retail	Webster	1987	4400		-	100
116 W Washington St		General Retail	Webster	1964	4412		-	100
20975 Gulf Fwy		General Retail	Webster	2010	4436		-	100
305 Houston Ave		General Retail	League City	1974	4464		-	100
2204 E Main St		General Retail	League City	2005	4475		-	100
19722 Gulf Fwy		Power Center	Webster	1982	4500		-	100
16610 Highway 3		General Retail	Webster	2008	4500		-	100
915 Oakgrove Dr		General Retail	Houston	1972	4583		-	100
3206 Marina Bay Dr		Neighborhood Center	League City	2004	4600		-	100
1009 W NASA Rd 1		Strip Center	Webster	2019	4600		Withheld	0
1421 Nasa Pky		General Retail	Houston	1996	4659		-	100
618 Barringer Ln	Pre-school Learning	General Retail	Webster	1979	4695		-	100
950 W Nasa Rd 1 Rd		General Retail	Webster	2004	4724		-	100
2000 Nasa Pky		General Retail	Houston	2014	4775		-	100
1009-1011 W NASA Rd 1		General Retail	Webster	2019	4785		Withheld	0
228 Texas Ave		General Retail	Webster	1983	4786		-	100
19431 Gatebrook Dr		Community Center	Webster	2006	4799		-	100
18339 Egret Bay Blvd		General Retail	Houston	1994	4808		-	100
1010 E Main St		General Retail	League City	1992	4810		-	100
16802 El Camino Real		General Retail	Houston	1998	4836		-	100
531 El Dorado Blvd		General Retail	Webster	1987	4841		-	100
516 N Tx-3 Hwy		General Retail	League City	1952	4863		-	100
707 W Main St		General Retail	League City	1973	4873		-	100
527 El Dorado Blvd		General Retail	Webster	1983	4930		-	100
1900 Nasa Pky		General Retail	Houston	2018	4971		-	100
500 S Tx-3 Hwy		General Retail	League City	1987	4981		-	100
1453 W Bay Area Blvd	McDonalds	Community Center	Webster	1987	5000		-	100
497 El Dorado Blvd		General Retail	Webster	1988	5000		-	100
497 El Dorado Blvd	Building B	General Retail	Webster	1981	5000		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
Gulf Fwy		Neighborhood Center	Webster	2019	5000		-	100
19415 Gulf Fwy		Community Center	Webster	2003	5000		-	100
20821 Gulf Fwy		Community Center	Webster	2017	5000		-	100
113 Gulf Fwy N	McDonald's	General Retail	League City	2008	5000		-	100
103 Reynolds Ave		General Retail	League City	1970	5000		-	100
382 W Main St		General Retail	League City	1969	5072		-	100
110 N Austin St		General Retail	Webster	1936	5085		-	100
541 W Bay Area Blvd		General Retail	Webster	1997	5087		-	100
1563 Live Oak St		General Retail	Webster	2001	5089		-	100
308 N Tx-3 Hwy		General Retail	League City	2001	5127		-	100
611-615 E Main St		Strip Center	League City	1967	5166		-	100
2735 Bay Area Blvd		General Retail	Houston	1997	5176		-	100
1515 Bay Area Blvd		General Retail	Houston	2008	5206		-	100
202 Walnut St		General Retail	Webster	1952	5239		-	100
17600 N Kobayashi		General Retail	Webster	2000	5259		-	100
281 S Tx-3 Hwy		General Retail	League City	1980	5271		-	100
1026 E Main St		General Retail	League City	1970	5301		-	100
20915 Gulf Fwy	Pad H	Community Center	Webster		5338		Withheld	0
16744 El Camino Real		General Retail	Houston	1970	5400		-	100
1502 W Main St		General Retail	League City	1976	5424		-	100
495 Bay Area Blvd		Neighborhood Center	Houston	1993	5500		-	100
1503 W Bay Area Blvd		General Retail	Webster	1991	5500		-	100
18724 Gulf Fwy		General Retail	Friendswood		5541		-	100
19212 Gulf Fwy		General Retail	Friendswood	1980	5552		-	100
20798 Gulf Fwy		Power Center	Webster	1989	5553		Withheld	1.91
1600 W Bay Area Blvd		General Retail	Friendswood	2011	5566		-	100
123 W NASA Rd 1		Strip Center	Webster	1984	5600		-	100
1425 Nasa Rd		General Retail	Houston	1995	5672		23	0
15710 Old Galveston Rd		General Retail	Webster	1989	5679		-	100
19019 Gulf Fwy		Neighborhood Center	Webster	2013	5687		-	100
301 N Tx-3 Hwy		General Retail	League City	1980	5700		16.6	17.54
501 E Main St		Strip Center	League City	1965	5720		-	100
1520 E Main St		General Retail	League City	1982	5800		-	100
402 W Nasa Rd		General Retail	Webster	1973	5810		-	100
414 W Nasa Rd 1		General Retail	Webster	1979	5811		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
3007 Invincible Cir		General Retail	Kemah	1990	5837		-	100
103 League St		General Retail	League City	1970	5852		-	100
528 Bay Area Blvd	B	Strip Center	Webster	2004	5870		-	100
122 N Michigan Ave		General Retail	League City	1950	5870		-	100
117 Gulf Fwy		General Retail	League City	1999	5914		-	100
515 Bay Area Blvd	Bay Area Center	Strip Center	Houston	2001	5925		-	100
501 1/2 El Dorado Blvd		Strip Center	Webster	1983	5940		-	100
632 FM 270 Rd		General Retail	League City	2000	5995		-	100
631 N Egret Bay Blvd		General Retail	League City	1996	6000		-	100
501 El Dorado Blvd		General Retail	Webster	1983	6000		-	100
521 El Dorado Blvd	Texaco	General Retail	Webster	2007	6000		-	100
17230 Highway 3		General Retail	Webster	1993	6000		-	100
902-908 E Main St	Frontier Square	General Retail	League City	1975	6000		Withheld	76.63
1454 W Bay Area Blvd		General Retail	Friendswood	1979	6006		-	100
234 W Nasa Rd 1	Frost Bank	General Retail	Webster	2007	6031		-	100
1150 W Nasa Rd 1 Rd	Chili's	Community Center	Webster		6035		-	100
401 Bay Area Blvd		General Retail	Webster	1991	6044		-	100
17051 Texas Ave		General Retail	Webster	2001	6062		-	100
16801 Feather Craft Ln		General Retail	Houston	1975	6068		-	100
250 Highway 3 N	AutoZone	General Retail	League City	1994	6116		-	100
381 W Bay Area Blvd		General Retail	Webster	1978	6120		-	100
19205 Gulf Fwy		Neighborhood Center	Webster	2002	6132		-	100
20760 Gulf Fwy		Power Center	Webster	1990	6149		-	100
1111 E Nasa Rd		General Retail	Houston	1974	6150		-	100
1039 W Bay Area Blvd		Power Center	Webster	1996	6180		-	100
1100 Bay Area Blvd	H&R Block	General Retail	Houston	1977	6189		-	100
1375-1381 W Main St		General Retail	League City	1973	6200		-	100
18206 Egret Bay		General Retail	Houston	1996	6240		-	100
17700 Tx-3		General Retail	Webster	1984	6293		-	100
1333 W Bay Area Blvd		Power Center	Webster	1982	6336		-	100
891 W Bay Area Blvd		General Retail	Webster		6351		-	100
17600 Tx-3		General Retail	Webster	2000	6360		-	100
1211 Gemini St		General Retail	Houston	1987	6378		-	100
3016 Marina Bay Dr	First Choice Emergency Room	Strip Center	League City	1996	6391	2014	-	100
1041-1051 W NASA Rd 1		Strip Center	Webster	1967	6392		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
2300 E Main St		General Retail	League City	2000	6462		-	100
502 W Bay Area Blvd		General Retail	Webster	1995	6474		-	100
Gulf Fwy		Neighborhood Center	Webster	2019	6500		-	100
20241 Gulf Fwy		General Retail	Webster	1995	6500		-	100
1330 W Bay Area Blvd		General Retail	Webster	1979	6608		-	100
707 W Bay Area Blvd		General Retail	Webster	1990	6612		-	100
3052 S Shore Blvd		General Retail	League City	2003	6688		-	100
408 Nasa Rd 1		General Retail	Webster	1972	6727		-	100
18045 Saturn Ln		Neighborhood Center	Houston	2011	6734		-	100
200 Houston Ave		General Retail	League City	1980	6758		-	100
618 Nasa Rd 1	Nasa Parkway Pad Site	General Retail	Webster	1986	6763		-	100
18006 Saturn Ln		Neighborhood Center	Houston	2013	6808		-	100
503 Nasa Rd 1		General Retail	Webster	1980	6843		-	100
1251 Bay Area Blvd		Power Center	Webster	1982	6851		-	100
1005 Bay Area Blvd		Neighborhood Center	Houston	2006	6860		-	100
604 W Main St		General Retail	League City	1975	6968		-	100
1855 W Bay Area Blvd	Capital One	Community Center	Webster	2004	7000		-	100
15460 Galveston Rd	Advance Auto Parts	General Retail	Webster	2008	7000		-	100
20915 Gulf Fwy	Chuy's	Community Center	Webster	2011	7003		-	100
16610 Sea Lark Rd	Children's World Learning Center	General Retail	Houston	1972	7015		Withheld	0
16750 Old Galveston Rd		Neighborhood Center	Webster	1982	7063		-	100
1406 W Main St		General Retail	League City	2005	7099		-	100
201 W Bay Area Blvd	Former Miyako Restaurant	General Retail	Clear Lake City	1992	7190		-	100
20930 Gulf Fwy		General Retail	Webster	1953	7252		-	100
888 W Bay Area Blvd	Red Lobster	General Retail	Webster	2001	7258		-	100
21361 Gulf Fwy	Rudy's BBQ	General Retail	Webster	2011	7273		-	100
2590 Falcon Pass Dr		General Retail	Houston	1987	7275		-	100
2040 Nasa Pky	Fuddruckers	General Retail	Houston	1983	7379		-	100
1416 E Main St	East Main Plaza	Strip Center	League City	1972	7401		11.21	83.79
1911 E Main St		General Retail	League City		7409		-	100
16439 Moon Rock Dr		General Retail	Houston	1999	7418		-	100
20794 Gulf Fwy		Power Center	Webster	1990	7421		-	100
17490 Highway 3	Building B - Cole Crossing	Strip Center	Webster	2014	7462		-	100
20790 Gulf Fwy		Power Center	Webster	1992	7463		-	100
1045 W Bay Area Blvd	Jared Galleria of Jewelry	Power Center	Webster	1996	7500		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
901 Oakgrove Dr		Strip Center	Houston	1969	7500		-	100
20931 Gulf Fwy		Community Center	Webster	2006	7600		-	100
1020 W Nasa Rd 1 Rd	Pad Site	Community Center	Webster		7650		Withheld	0
16400 Sea Lark		Strip Center	Houston	1984	7650		-	100
16211 Space Center Blvd	Comerica Bank	General Retail	Houston	1981	7651	2005	-	100
16801-16811 El Camino Real		Neighborhood Center	Houston	1996	7685		-	100
I-45 And FM 528	Odyssey Retail Center	General Retail	Webster		7700		-	100
18008 Highway 3		General Retail	Webster	1973	7750		-	100
3026 Marina Bay Dr	Chevron	General Retail	League City	1988	7789		-	100
20915 Gulf Fwy	Pad E	Community Center	Webster		7800		Withheld	0
352 Gulf Fwy S		General Retail	League City	2003	7830		-	100
1403-1419 Nasa Pky	Kings Park	Strip Center	Houston	1973	7840	2008	-	100
17250 Mill Forest Rd		General Retail	Houston	1994	7903		-	100
17886 Tx-3		General Retail	Webster	1979	7984		-	100
2986 Marina Bay Dr	South Shore Harbour	General Retail	League City	1996	7992		18	0
820 W Bay Area Blvd		General Retail	Webster	2018	7995		-	100
NWC I-45 @ Louetta		General Retail	Webster	2006	8000		-	100
16603 El Camino Real		Neighborhood Center	Houston	1972	8046		-	100
16504-16524 Sea Lark Rd		Strip Center	Houston	1970	8100		13.2	70.37
15530 Old Galveston Rd		General Retail	Webster	1976	8132		-	100
271 Egret Bay Blvd S	Bridgestone/Firestone	General Retail	League City	2008	8142		-	100
1631 E Main St	Dollar General	General Retail	League City	2000	8181		-	100
17400 El Camino Real		General Retail	Houston	1974	8241		-	100
316 W NASA Rd 1	Chabuca's Restaurant	General Retail	Webster	1975	8300	2001	-	100
510 W Bay Area Blvd	Former Crispy Kreme	General Retail	Webster	1999	8309		-	100
1310 W Bay Area Blvd	Olive Garden	General Retail	Friendswood	2008	8377		-	100
19901 Gulf Fwy	Baybrook Shopping Center	Power Center	Webster	1985	8537		-	100
19411 Gulf Fwy	Baybrook Passage	Community Center	Webster	2002	8593		-	100
1336 Regents Park Dr		Neighborhood Center	Houston	2007	8599		-	100
16436-16456 Sea Lark Rd		Strip Center	Houston	1970	8600		13.2	27.91
710-720 Nasa Rd 1		Strip Center	Webster	1968	8600		-	100
416-424 Nasa Rd 1 Rd		Strip Center	Webster	1975	8672		-	100
18018-18030 Nassau Bay Dr		General Retail	Houston	1975	8775		13.24	59.58
895 W Nasa Rd 1		General Retail	Webster	1997	8808		-	100
1101 Nasa Pky		General Retail	Houston	1964	8847		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
111 E Medical Center Blvd		General Retail	Houston	1995	8865		-	100
16302 Sea Lark Rd	Sealark Service Center	Strip Center	Houston	1978	9065		Withheld	77.94
300 W Bay Area Blvd		Strip Center	Webster	2007	9075		27	80.24
100 Perkins Ave	Bldg 1	Strip Center	League City	2003	9085		-	100
1220 E Main St		General Retail	League City	2001	9100		-	100
17150 El Camino Real		General Retail	Houston	1978	9397		-	100
19270 Gulf Fwy		Neighborhood Center	Webster	2000	9600		-	100
Gulf Fwy @ Nasa Pky		General Retail	Webster		9600		Withheld	0
20911 Gulf Fwy	Webster Town Center	Community Center	Webster	2006	9751		-	100
21001 Gulf Fwy		General Retail	Webster	2006	9948		-	100
20099 Gulf Fwy		General Retail	Webster	1989	9988		-	100
907 El Dorado Blvd		Strip Center	Houston	1985	10000		-	100
20237 Gulf Fwy		General Retail	Webster	1997	10085		-	100
18000 Point Lookout Dr	Nasa Town Center	Strip Center	Houston	1975	10086		Withheld	92.02
1567 Live Oak St		General Retail	Webster	1992	10099	2007	-	100
959 Bay Area Blvd		General Retail	Houston	2003	10127		-	100
411-433 Bay Area Blvd	Bay Area Center	Neighborhood Center	Houston	1993	10328		-	100
901-915 Main St		Strip Center	League City	1978	10375		-	100
1030 Nasa Rd 1	Plaza Salon	Community Center	Webster		10384		-	100
1212 Bay Area Blvd		General Retail	Houston	1981	10402		-	100
15104-15108 Old Galveston Rd		Strip Center	Webster	1981	10535		-	100
2424 Falcon Pass		General Retail	Houston	1985	10665		-	100
1330 Gemini St	JSC Federal Credit Union	General Retail	Houston	1975	10800		-	100
3020 Marina Bay Dr		Strip Center	League City	1996	10920		22	67.22
20001 Gulf Fwy		Power Center	Webster	2014	11000		-	100
812-816 W Main St		General Retail	League City	1992	11058		-	100
19222 Gulf Fwy	Verizon Wireless & Mens Warehouse	General Retail	Friendswood	2003	11060		-	100
201 S FM 270		General Retail	League City	1996	11200		Withheld	33.93
983 W NASA Pky	NASA Road One Shopping	Strip Center	Webster	1977	11256		14	88.45
1610 Nasa Rd 1	CVS - Clear Lake	General Retail	Houston	1997	11326		-	100
505 E NASA Rd 1		General Retail	Webster	2017	11358		24.33	62.57
1303 NASA Road One	Kings Court Shopping	Strip Center	Houston	2005	11408		22	73.34
240 W Main St		Strip Center	League City	1970	11500		-	100
301 W Bay Area Blvd		General Retail	Webster	1992	11502		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
304 W Bay Area Blvd		Strip Center	Webster	2007	11550		-	100
155 W Bay Area Blvd	Former Ryan's Steakhouse	General Retail	Webster	1989	11592		-	100
16925-16935 El Camino Real		Neighborhood Center	Houston	1997	11600		-	100
1520-1522 W Bay Area Blvd		General Retail	Friendswood	1982	11653		-	100
1600 Nasa Pky		General Retail	Houston	1984	11686		-	100
450 Constellation Blvd		General Retail	League City	2000	11733		-	100
2402 Marina Bay Dr		Strip Center	League City	2009	11764		-	100
1520 W Bay Area Blvd	Mody Plaza - Baybrook	Strip Center	Friendswood	1982	11818		-	100
1501 W Bay Area Blvd		General Retail	Webster	1991	11939		-	100
2409 Falcon Pass Dr		Strip Center	Houston	2007	12000		21.6	90.96
102 W Main St	CVS Pharmacy	General Retail	League City	2003	12035		-	100
18000 Upper Bay Rd	NASSAU BAY SERVICE CENTER	Strip Center	Houston	1964	12120		12	62.46
17490 Highway 3	Building A	Strip Center	Webster	2010	12170		-	100
1815-1825 E Main St		General Retail	League City	1973	12512		-	100
1000-1008 Bay Area Blvd		Neighborhood Center	Houston	1997	12586		27	91.66
16602 El Camino Real	El Camino Real @ Ramada Rd	General Retail	Houston	1965	12600		10	0
2403 Bay Area Blvd		General Retail	Houston	1979	12699		-	100
16223 Moon Rock Dr		General Retail	Houston	1997	12811		-	100
2469 Bay Area Blvd		General Retail	Houston	2013	12900		-	100
1354 Nasa Blvd	Nassau Bay Gateway Plaza	Strip Center	Houston	2007	13000		-	100
515 W Bay Area Blvd		General Retail	Webster	1983	13135		-	100
19801-19991 Gulf Fwy		Power Center	Webster	1985	13294		-	100
820-830 W Main St		Strip Center	League City	1968	13400		-	100
1055 Bay Area Blvd		General Retail	Houston	1964	13500	2006	-	100
1805-1841 W Bay Area Blvd	Bld A	Community Center	Webster	2003	13615		-	100
1271 FM Rd 518		General Retail	League City	2011	13900		-	100
2990 Marina Bay Dr	Walgreens	General Retail	League City	1996	13927		-	100
475-487 Bay Area Blvd	Bay Area Center	Neighborhood Center	Houston	1993	14007		19.14	45.03
15625 Space Center Blvd		General Retail	Houston	1995	14055		-	100
20835-20839 Gulf Fwy		Community Center	Webster	1995	14100		-	100
801 W Main St	Pecan Forest Shopping	General Retail	League City	1970	14444		12	89.3
1088 W Main St	Walgreens	General Retail	League City	2001	14490		-	100
16185 Space Center Blvd	Walgreens	General Retail	Houston	2002	14490		-	100
1301 Nasa Pky	Walgreens	General Retail	Houston	1973	14820		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
218-250 S FM-270		Neighborhood Center	League City	1997	14974		-	100
435 El Dorado Blvd	El Dorado Plaza	Strip Center	Webster	1978	15000		-	100
3013 FM-2094	CVS/Pharmacy	General Retail	League City	2004	15000		-	100
151 Texas Ave	Kids R Kids Learning Academy of Space Center	General Retail	Webster	2009	15125		-	100
2332 Nasa Pky		General Retail	Houston	1980	15375		Withheld	100
1400 Nasa Pky	Mid Towne Centre	Strip Center	Houston	2001	15400		21	88.64
1821-1849 El Dorado Blvd	EL DORADO BLVD SHOPPING	Strip Center	Houston	1978	15493		-	100
1203-1223 Bay Area Blvd		Strip Center	Houston	1976	15505		-	100
16512-16580 El Camino Real St		Neighborhood Center	Houston	2001	15540		-	100
651 N Egret Bay	Woodlake Square Shopping	Strip Center	League City	1983	15544		-	100
16590 El Camino Real		Neighborhood Center	Houston	2000	15624		-	100
445-463 Bay Area Blvd	Bay Area Center	Neighborhood Center	Houston	1993	16067		-	100
400 W Bay Area Blvd	Bay Area Shopping Center	Strip Center	Webster	1984	16200	2013	23.5	90.74
1500 W Main St	Cleer Creek Plaza	Strip Center	League City	2007	16610		-	100
19010 Gulf Fwy	Building C	Neighborhood Center	Friendswood	1979	16650		Withheld	90.87
17050-17068 Saturn Ln	Space Center Plaza	Neighborhood Center	Houston	2006	17145		-	100
17070 Saturn Ln	Chevron Food Store	Neighborhood Center	Houston	2004	17503		-	100
1507 W Bay Area Blvd		Community Center	Webster	1991	17603		Withheld	60.27
1800-1820 Nasa Rd 1	Retail Phase I	Neighborhood Center	Houston	2010	17605		Withheld	71.35
528 W Bay Area Blvd	Webster Plaza	Strip Center	Webster	2004	17950		-	100
2500 Marina Bay Dr	South Shore West	Strip Center	League City	2002	18087		21	74.01
15210 SH 3		Strip Center	Webster	1985	18250		-	100
701 N Kobayashi St	Service King	General Retail	Webster	2000	18720		-	100
17647 El Camino Real		Strip Center	Houston	1979	18828		-	100
809 Bay Area Blvd		General Retail	Webster	1984	18837		-	100
500 W NASA Rd 1		Strip Center	Webster	1980	18932		12	18.59
1750-1790 NASA Pky	Phase II	Neighborhood Center	Houston	2013	19106		-	100
1101 W Main St	Calder Center	Strip Center	League City	1988	19382		-	100
501 N Wesley Dr		General Retail	League City	2008	19592		-	100
2535-2615 Bay Area Blvd		Strip Center	Houston	1989	19595		25.5	78.99
110 E Medical Center		General Retail	Webster	1997	19625		-	100
2700 Marina Bay		General Retail	League City	2004	19985		Withheld	77.37
2102-2150 Bay Area Blvd	University Square	Strip Center	Houston	1979	20000		17.25	77.6
18422 Hwy 3 S		General Retail	Webster	1987	20000		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
19010-19074 Gulf Fwy	Building A	Neighborhood Center	Friendswood	1979	20156		Withheld	78.34
19000-19074 Gulf Fwy	Building B	Neighborhood Center	Friendswood	1979	20240		Withheld	48.94
17926 Hwy 3	Webster Pointe	Strip Center	Webster	1985	20460		-	100
2800 Marina Bay Dr		Neighborhood Center	Kemah	2001	20500		-	100
929-943 W Bay Area Blvd		Power Center	Webster	1996	20703		39	100
107 Bay Area Blvd		Neighborhood Center	Webster	1977	21140		Withheld	88.75
20710 Gulf Fwy		Power Center	Webster	1989	21538		Withheld	61.9
300-391 El Dorado Blvd	El Dorado Square	Strip Center	Webster	1981	22260		15	94.25
2660 Marina Bay Dr	Laurel Bay Center	Strip Center	League City	2009	22286		Withheld	50.65
19325 Gulf Fwy		Community Center	Webster	2002	22438		-	100
16830 Old Galveston Rd		Neighborhood Center	Webster	1977	23596		Withheld	91.4
18980 Gulf Fwy	Pad Site	General Retail	Friendswood	1980	23901		-	100
16913-16923 El Camino Real		Neighborhood Center	Houston	1996	24009		25	76.98
16912-16972 Old Galveston Rd		Strip Center	Webster	1981	24084		-	100
2321-2353 Bay Area Blvd	Village Green Shopping	Strip Center	Clear Lake City	1978	24304	1990	Withheld	60.91
19419 Gulf Fwy	Baybrook Passage	Community Center	Webster	2003	24466		-	100
1025 W NASA Rd 1	Clear Lake Center	Strip Center	Webster	1967	24500		-	100
103 Davis Rd		Neighborhood Center	League City	2006	24717		-	100
101-699 Davis Rd		Neighborhood Center	League City	1998	24739		-	100
17022-17080 Old Galveston Rd		Strip Center	Webster	1980	24864		-	100
20610 Gulf Fwy	Baybrook Center	Neighborhood Center	Webster	1983	25540		-	100
17301-17337 El Camino Real		Strip Center	Houston	1977	25680	2004	10	59.81
17302-17330 SH 3		Strip Center	Webster	1986	25707		-	100
403-425 Nasa Rd 1		Strip Center	Webster		25725		-	100
205 E Nasa Pkwy	Nasa Shopping Center	General Retail	Webster	2018	26742	2018	Withheld	88.71
209 W NASA Rd 1		Neighborhood Center	Webster	1979	26742		-	100
20233 Gulf Fwy	NEQ I-45 & W Nasa Parkway	General Retail	Webster	1985	27592		-	100
20101 Gulf Fwy		General Retail	Webster	1984	27793		-	100
2800 Marina Bay Dr	Centre at S Shore Harbour	Neighborhood Center	League City	2002	28170		Withheld	84.04
2422 Bay Area Blvd		General Retail	Houston	1995	29785		-	100
19250 Gulf Fwy		Neighborhood Center	Friendswood		30000		-	100
15120-15164 Highway 3	Sterling Knoll Plaza	Strip Center	Webster	1984	30210		-	100
20814 Gulf Fwy		Power Center	Webster	1989	30718		Withheld	90.88
1637 E Main St		General Retail	League City	1979	30892		-	100
1225 W Bay Area Blvd	Nordstrom Rack	Power Center	Webster	2015	31000		-	100

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
16743 Diana Ln		General Retail	Houston	1974	31005		-	100
18301-18313 Egret Bay Blvd	Marina Gate	Neighborhood Center	Houston	1984	32296		-	100
1423 FM 528 Rd	Emmons Autoplex	General Retail	Webster	2018	35000		-	100
20915 Gulf Fwy	Pad A	Community Center	Webster		35000		-	100
19335 Gulf Fwy		Community Center	Webster	2002	35994		-	100
803 E NASA Rd 1	Challenger Plaza	Neighborhood Center	Webster	1984	36067	2018	Withheld	79.57
1199 NASA Rd 1	1199 NASA I Atrium	General Retail	Houston	1978	38860	1989	-	100
803 E NASA Rd 1	Challenger Plaza	Neighborhood Center	Webster	1984	39407	2018	Withheld	53.13
318 W Bay Area Blvd		General Retail	Webster	1984	41800		-	100
16800 Feather Craft Ln		General Retail	Houston	1975	41900		-	100
555-599 W Bay Area Blvd	The Boulevard Shopping	Neighborhood Center	Webster	1984	42000	1999	Withheld	77.79
1449 W Bay Area Blvd		Community Center	Webster	1986	46011		-	100
18111-18313 Egret Bay Blvd	Marina Gate	Neighborhood Center	Houston	1984	46080		17.38	73.07
18021-18091 Upper Bay Rd	Nassau Bay Shopping Village	Neighborhood Center	Houston	1964	47295		14.5	87.11
I-45 & FM 528	Emmons Motor Co.	General Retail	Webster	2020	48000		-	100
16200 Highway 3		General Retail	Webster	1999	50000		-	100
16811 El Camino Real	HEB Grocery	Neighborhood Center	Houston	1996	55513		-	100
250 S Egret Bay Blvd	Kroger	Neighborhood Center	League City	1996	55866		-	100
3202 Marina Bay Dr		Neighborhood Center	League City	2005	58348		19.8	54.41
Gulf Fwy		Neighborhood Center	Webster	2019	60000		Withheld	0
524 W Nasa Rd 1	Webster Square Shopping	Neighborhood Center	Webster	1984	60000		-	100
1125 Magnolia Ave	Main Event Entertainment	General Retail	Webster	2007	64917		-	100
16400 El Camino Real	Clear Lake Kroger Center	Neighborhood Center	Houston	2001	67309		-	100
1904-1962 El Dorado Blvd		Neighborhood Center	Houston	1980	71667	1999	Withheld	92.49
2402-2416 Bay Area Blvd	Star Plaza	Neighborhood Center	Houston	1984	76011	2001	13.52	80.12
100-160 W Bay Area Blvd	Bay Area Square Shopping	Neighborhood Center	Webster	1983	76693	1998	Withheld	67.15
1010 Nasa Pky	Marina Gate	Neighborhood Center	Houston	1984	83329		16.8	94.06
19425-19443 Gulf Fwy	Baybrook Passage	Community Center	Webster	2002	83626		Withheld	86.26
20915 Gulf Fwy	Cinemark 18	Community Center	Webster	2001	83862		-	100
2951 FM-2094	Randall's Center	Neighborhood Center	League City	1991	86546		22.2	98.38
961 Nasa Pky	Village Real Shopping Center	Neighborhood Center	Houston	1976	94259	1985	12.29	81.96
2409-2469 Bay Area Blvd	University Plaza	Strip Center	Houston	1979	95960	1989	Withheld	71.29
111-395 W Main St		Neighborhood Center	League City	1980	98457	1992	Withheld	96.65
21351 Gulf Fwy	Academy Sports & Outdoor	General Retail	Webster	2006	99818		-	100
164-200 Gulf Fwy S	League City Plaza	Neighborhood Center	League City	1998	103608		Withheld	87.75

Building Address	Building Name	PropertyType	City	Year Built	Rentable Building Area	Year Renovated	Average Weighted Rent	Percent Leased
100-150 Gulf Fwy	Pecan Park Plaza	Neighborhood Center	League City	1981	106510	2012	Withheld	100
20041-20091 Gulf Fwy		Power Center	Webster	1985	111886		-	100
16605-16701 El Camino Real		Neighborhood Center	Houston	1964	112412	1992	Withheld	82.46
20810 Gulf Fwy		General Retail	Webster	1987	115000	2002	14.5	100
520 El Dorado Blvd	El Dorado Shopping Center	Neighborhood Center	Webster	1984	116266		Withheld	94.75
19250 Gulfbrook Dr	Lifetime Fitness	General Retail	Friendswood	2018	120000		-	100
20251 Gulf Fwy		General Retail	Webster	1994	130000		-	100
20761-20833 Gulf Fwy		Community Center	Webster	1989	136505	2012	14.67	91.29
18650 Gulf Fwy		Super Regional Mall	Friendswood		145000		-	100
21300 Gulf Fwy	Fry's Electronics	General Retail	Webster	2004	146350		-	100
1422 FM 528 Rd		General Retail	Webster	2019	150000		-	100
1035-1211 W Nasa Pky	Bayway Shopping Center	Neighborhood Center	Webster	1979	150583		-	100
300 Baybrook Mall		Super Regional Mall	Friendswood	1978	151743		Withheld	0
100 Baybrook Mall		General Retail	Friendswood	1979	155700		-	100
19225 Gulf Fwy	Baybrook Landing	Neighborhood Center	Webster	2009	163000		-	100
1801 W Bay Area Blvd	Target	Community Center	Webster	2003	173712		-	100
1020 W Nasa Pky	Point Nasa Shopping Center	Community Center	Webster	1986	175394		24	99.18
1513-1549 W Bay Area Blvd	Baybrook Village	Community Center	Webster	1991	189726	1996	Withheld	81.23
1001-1029 West Bay Area Blvd	Baybrook Gateway	Power Center	Webster	1995	200378		17.82	82.83
18251 S I-45 Fwy	Baybrook Center	Community Center	Webster	2008	220000		-	100
19801 Gulf Fwy	Baybrook Shopping Center	Power Center	Webster	1984	247111		-	100
500 Baybrook Mall	Lifestyle Expansion	Super Regional Mall	Friendswood	2015	285000		-	100
19760-20810 Gulf Fwy	1201-1441 W Bay Area Blvd	Power Center	Webster	1980	294627	1998	-	100
20810 Gulf Fwy	Clear Lake Center	Power Center	Webster	1989	388002	2004	Withheld	76.52
500 Baybrook Mall	Baybrook Mall	Super Regional Mall	Friendswood	1978	753765	2004	-	100
Totals/Averages includes Proposed and Under Construction				**1989**	**10,951,964**	**2002**	**18.36**	**94.23**

Source: CoStar

CMA PRIZM Segments

Psychographic analysis is used to identify consumer segments and match retail demand categories in the trade area(s). CDS has broken down the market area resident populations utilizing a consumer segmentation methodology. This system is used to understand and profile the population in the market area for the purpose of targeting the largest consumer lifestyle segments. Every household is defined in terms of 66 demographically and behaviorally distinct groups. Specific lifestyle segments will be quantified and ranked for the trade area. The top segments, described in this section, are correlated to likes, dislikes and purchase behavior relative to retail goods and services. The largest household segment in the CMA is Up and Comers (9.32%) followed by Generation Web (8.60%).

Table 54: Top 10 PRIZM Segments of the Population in the CMA

Households by PRIZM Segment	Households	% of Total Households
25 Up and Comers	2,926	9.32%
Up-and-Comers is a stopover for younger, midscale singles before they marry, have families, and establish more deskbound lifestyles. Found in suburban areas and second cities, these mobile adults, mostly age 25 to 44, include many recent college graduates who are into athletic activities, the latest technology, and nightlife.		
48 Generation Web	2,698	8.60%
Having grown up in the age of the internet, Generation Web are younger families with above average technology use. They are more often renters, living in suburban neighborhoods and second cities, and frequent video game and accessory stores.		
34 Young & Influential	2,462	7.84%
Young & Influential is a segment of younger, lower middle-class households that might not have high incomes but are nonetheless influential in their communities and social networks and are very tech savvy. The segment is a common address for middle-class singles and couples who are more preoccupied with balancing work and leisure pursuits and who live in apartment complexes surrounded by ball fields, health clubs, and casual-dining restaurants.		
47 Striving Selfies	2,299	7.33%
Striving Selfies is a segment of younger singles and couples that show signs of greater potential. They are among the most tech savvy segments with some college credits under their belt. More often than not, they are renters who have not yet been able to purchase their first home.		
12 Cruisin' to Retirement	2,273	7.24%
With their children mostly grown and out of the house, these older couples are "Cruisin" to Retirement. They remain in the neighborhoods where they raised their families, enjoying the suburban lifestyle. They vacation often, watch golf on television, and listen to talk radio.		
36 Toolbelt Traditionalists	1,620	5.16%
Like many other older segments, Toolbelt Traditionalists have empty nests. If something needs to be fixed, they are likely to do the work themselves with their own power tools or paint. They enjoy the benefits of AARP and are frequent QVC and HSN shoppers.		
59 New Melting Pot	1,617	5.15%
New Melting Pot neighborhoods are populated by a blend of ethnically diverse, young families and singles in the nation's second cities. They are mainly high school graduates that rent and work in a mix of service jobs. They are big fans of gospel music, wrestling, and monster trucks.		
66 New Beginnings	1,532	4.88%
Filled with younger, mostly single adults, New Beginnings is a magnet for adults in transition. Many of its residents are singles and couples just starting out on their career paths in service jobs or starting over after recent divorces or company transfers. New Beginnings households tend to have the modest living standards typical of transient apartment dwellers.		
22 Middleburg Managers	1,409	4.49%

Households by PRIZM Segment	Households	% of Total Households
Middleburg Managers arose when empty nesters settled in satellite communities, which offered a lower cost of living and more relaxed pace. Today, segment residents tend to be middle class with solid white-collar jobs or comfortable retirements. In their older homes, they enjoy reading and needlecrafts, while time outside the home is spent at club activities and cultural events.		
37 Bright Lights, Lil City	1,234	3.93%
Gray Power consists of upscale older couples typically living just beyond the nation's beltways. This segment is a haven for white-collar professionals drawn to comfortable homes and apartments within a manageable commute to downtown jobs, restaurants, and entertainment. They enjoy traveling and watching golf on television.		

Source: US Census, American Community Survey, PCensus

CMA Zip Codes (77058) Retail Sales Trends

The zip code 77058 is larger than Nassau Bay but a little smaller than the CMA. The 1-mile radius includes zip code 77058. The 3-mile radius includes 77058 and portions of 77062, 77598, 77573, 77565, and 77586. Because you cannot portion off retail sales, CDS used 77058 zip code for the CMA in its entirety.

The sales were the highest in 2017 overall. Drinking and Eating Places has the highest sales by category. Followed by Miscellaneous Store Retailers and Food and Beverage Stores (includes Grocery).

Table 55: Actual Retail Sales in the CMA by Zip Codes, 2015 to 3Q2018

NAICS Code	NAICS Category	2015	2016	2017	Q1-Q3 2018
441	Motor Vehicle & Parts Dealers	18,415,467	18,649,057	15,986,666	11,901,109
442	Furniture & Home Furnishings	1,474,675	1,293,398	1,246,683	928,520
443	Electronics and Appliance Stores	10,981,516	10,292,962	12,026,461	1,011,695
444	Building Material & Garden Equipment				2,690,433
445	Food & Beverage Stores	60,815,944	51,466,280	51,139,785	37,613,804
446	Health & Personal Care Stores	37,262,731	38,052,107	36,618,638	27,434,866
447	Gasoline Stations	22,828,363	21,731,526	23,448,438	24,277,677
448	Clothing & Clothing Accessories	16,287,089	15,851,129	17,145,245	15,764,728
451	Sporting Goods, Hobby, Book, & Music	6,432,268	5,880,012	5,674,784	4,326,907
452	General Merchandise	12,984,516	14,878,463	16,736,330	12,423,428
453	Miscellaneous Store Retailers	38,024,308	59,178,933	55,756,158	42,548,754
454	Non-store Retailers	4,714,761	3,605,698	3,724,820	2,976,988
721	Accommodations	2,538,175	2,325,098	2,275,168	1,647,742
722	Drinking and Eating Places	76,426,756	71,126,535	72,825,614	58,901,979
	TOTAL	**309,186,569**	**314,331,198**	**314,604,790**	**244,448,630**

Source: Texas Comptroller of Public Accounts for 2015-2018

Retail Surplus/Leakage

Retail leakage/surplus was determined using the retail sales from 77058 and the expenditures for the 3-mile radius. Although not entirely accurate it will give a representation of the CMA. The CMA has leakage every category with the exception of Health and Personal Care Stores ($13,326,730 surplus).

This is not surprising given the survey results, 70% of the respondents said they shop at CVS in Nassau Bay and 60% said they purchase Personal Care items most often in Nassau Bay.

Over 550 (87%) of the respondents said they shop further than 3 miles for most items.

Table 56: Comparison of Actual Sales with Expected Household Expenditures for the CMA

BUSINESS CATEGORY DESCRIPTION	Actual Sales 2017 Supply	Total Expenditures Demand	Surplus or (Leakage)
Furniture and Home Furnishings Stores (442)	1,246,683	27,065,447	-25,818,764
Food and Beverage Stores (445)	51,139,785	116,580,548	-65,440,763
Health and Personal Care Stores (446)	36,618,638	23,291,908	13,326,730
Clothing and Clothing Accessories Stores (448)	17,145,245	31,648,092	-14,502,847
Sporting Goods, Hobby, Book, and Music Stores (451)	5,674,784	12,422,323	-6,747,539
General Merchandise Stores (452)	16,736,330	103,627,248	-86,890,918
Food Services and Drinking Places (722)	72,825,614	125,636,733	-52,811,119

Source: Texas Comptroller of Public Accounts 2019, PCensus

Nassau Bay Retail Sales Trends

The State reports the following sales for Nassau Bay. There are many years that reported zero sales. This is due to having no stores in these categories for one reason, closing of stores for another. Another reason, the data is outlet driven. If the number outlets in the area is less than 4 it does not get counted.

The sales were the highest in 2015 overall. Drinking and Eating Places has the highest sales by category. This is in part due to the daytime traffic from local employers and tourists. Miscellaneous retailers (Dollar Store/Bucky's) and Health and Personal Services (CVS) are the next highest sales categories.

Table 57: Actual Retail Sales in the CMA by Zip Codes, 2015 to 2017

NAICS Code	NAICS Category	2015	2016	2017	Q1Q2Q3 2018
441	Motor Vehicle & Parts Dealers	-	-	-	-
442	Furniture & Home Furnishings	-	-	-	-
443	Electronics and Appliance Stores	-	49,491	65,251	-
444	Building Material & Garden Equipment	-	-	-	-
445	Food & Beverage Stores	2,269,592	2,428,135	2,338,150	1,813,434
446	Health & Personal Care Stores	14,239,550	10,482,274	12,044,248	8,474,737
447	Gasoline Stations	-	-	5,582,919	13,640,888
448	Clothing & Clothing Accessories	-	201,718	-	-
451	Sporting Goods, Hobby, Book, & Music	104,396	12,751	12,881	-
452	General Merchandise	2,652,041	2,502,847	427,757	-
453	Miscellaneous Store Retailers	18,329,249	16,602,123	16,953,501	-
454	Non-store Retailers	17,518	9,995	43,721	7,894
721	Accommodations	2,450,786	2,236,595	2,190,716	1,608,021
722	Drinking and Eating Places	19,211,232	19,259,458	18,379,541	16,310,391
	TOTAL	**59,274,364**	**53,785,387**	**58,038,685**	**41,855,365**

Source: Texas Comptroller of Public Accounts for 2015-3Q2018

Retail Surplus/Leakage

Nassau Bay has leakage in every category with the exception of Health and Personal Care Stores ($10,135,182 surplus) and Food Services and Drinking Places ($8,848,930 surplus).

Table 58: Comparison of Actual Sales with Expected Household Expenditures for Nassau Bay

BUSINESS CATEGORY DESCRIPTION	Actual Sales 2017 Supply	Total Expenditures Demand	Surplus or (Leakage)
Furniture and Home Furnishings Stores (442)	0	762,400	-762,400
Food and Beverage Stores (445)	2,338,150	9,065,345	-6,727,195
Health and Personal Care Stores (446)	12,044,248	1,909,066	10,135,182
Clothing and Clothing Accessories Stores (448)	0	2,329,523	-2,329,523
Sporting Goods, Hobby, Book, and Music Stores (451)	12,881	938,615	-925,734
General Merchandise Stores (452)	427,757	8,030,632	-7,602,875
Food Services and Drinking Places (722)	18,379,541	9,530,611	8,848,930

Source: Texas Comptroller of Public Accounts 2019, PCensus

Based on the leakage analysis, there is certainly room for more retailers in the CMA and Nassau Bay in categories Furniture, Food and Beverage Stores (Grocery), Clothing, Sporting goods, and General Merchandise.

Over/Under

A negative number means the market is undersupplied and can use additional units in that category. The Opportunity Analysis indicates that within a 3-mile radius of Nassau Bay, the area is lacking in Used Auto Dealers by a large number (28).

Also lacking is general merchandise, convenience stores, food products, grocers, automobile parts and supplies, service stations, men's clothing, women's apparel, bridal shop, fashion accessories, children's clothing, shoes, toys, and furniture dealers. Pharmacies are also lacking in this area as well as liquor stores.

As far as restaurants, the area is lacking in Barbeque, Bars, Cajun, Mexican, Chicken and South American. These shortages (Under) are based on both population and employment.

Opportunity Analysis

Over-/Under-Supply Summary
Sorted by Business Category

Business Category	Total Population Over-/Under-Supply	Total Employees Over-/Under-Supply	Average
DEPARTMENT STORES	4	-3	0
RETAIL SHOPS	0	-2	-1
GENERAL MERCHANDISE-RETAIL	-2	-11	-7

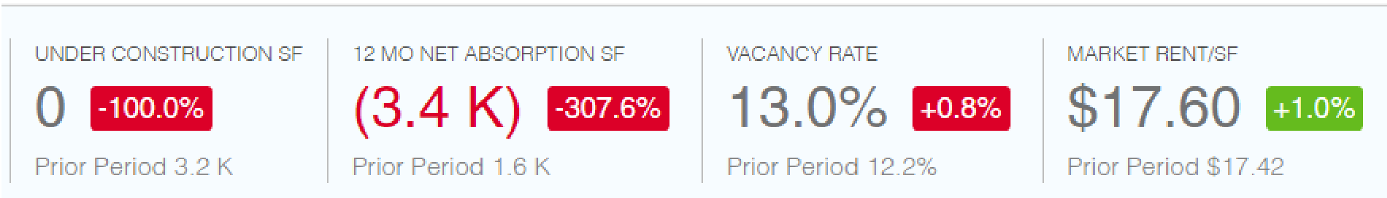
Business Category	Total Population Over-/Under-Supply	Total Employees Over-/Under-Supply	Average
FOOD MARKETS	0	-1	-1
CONVENIENCE STORES	1	-9	-4
FOOD PRODUCTS-RETAIL	-2	-4	-3
GROCERS-RETAIL15	-3	-14	-8
MEAT-RETAIL	1	-1	0
BAKERS-RETAIL	5	0	3
HEALTH & DIET FOODS-RETAIL	5	3	4
VITAMIN & FOOD SUPPLEMENTS	2	1	2
AUTOMOBILE DEALERS-NEW CARS	1	-3	-1
AUTOMOBILE DEALERS-USED CARS	-17	-38	-28
AUTOMOBILE PARTS & SUPPLIES-RETAIL-NEW	-2	-9	-5
BATTERY SUPPLIES	1	1	1
SERVICE STATIONS-GASOLINE & OIL	4	-8	-2
MEN'S CLOTHING & FURNISHINGS-RETAIL	-1	-2	-2
WOMEN'S APPAREL-RETAIL	0	-3	-2
MATERNITY APPAREL	0	0	0
BRIDAL SHOPS	-1	-2	-1
BOUTIQUE ITEMS-RETAIL	2	-1	0
GIFTS-SPECIALTY	0	0	0
COSTUME JEWELRY	1	1	1
ACCESSORIES-FASHION	-1	-1	-1
CHILDRENS & INFANTS WEAR-RETAIL	-1	-2	-2
CLOTHING-RETAIL	-3	-10	-7
SHOES-RETAIL	-1	-5	-3
TAILORS	2	1	2
FURNITURE-OUTDOOR	1	0	1
PATIO EQUIPMENT & SUPPLIES	0	0	0
FURNITURE-DEALERS-RETAIL	1	-6	-3
MATTRESSES	3	1	2
CARPET & RUG DEALERS-NEW	2	0	1
HOME ACCESSORIES & FURNISHINGS	0	-1	0
ELECTRONIC EQUIPMENT & SUPPLIES-RETAIL	3	-1	1
ICE CREAM PARLORS	5	2	3
RESTAURANTS	97	0	48
BARBECUE RESTAURANT	-1	-2	-2
COFFEE SHOPS	4	1	2
BARS	0	-5	-3
PHARMACIES	3	-6	-2

Business Category	Total Population Over-/Under-Supply	Total Employees Over-/Under-Supply	Average
LIQUORS-RETAIL	-1	-5	-3
BOOK DEALERS-RETAIL	4	2	3
TOYS-RETAIL	-1	-2	-1
FABRIC SHOPS	0	0	0
OPTICAL GOODS-RETAIL	4	0	2
BANKS	10	-1	5
CREDIT UNIONS	2	0	1
LAUNDRIES-DROP OFF SERVICE	0	0	0
SPAS-BEAUTY & DAY	9	6	8
HAIR CUTTING/STYLING WIGS/HAIR PIECES	1	0	0
BOWLING CENTERS	1	0	1
AMUSEMENT PLACES	0	-1	0
STEAK HOUSE	5	4	4
FRENCH	0	0	0
GERMAN	1	1	1
AMERICAN	10	4	7
VEGITARIAN	0	0	0
JAMAICAN	0	0	0
PERUVIAN	0	0	0
HAWAIIAN	0	0	0
GREEK	1	0	0
BISTRO	3	1	2
BREW PUB	1	1	1
CHINESE	2	-1	0
DELI	12	4	8
BARBECUE	2	-1	1
INDIAN	5	5	5
CAJUN	-1	-2	-2
SOUL FOOD	1	0	0
ITALIAN	7	5	6
JAPANESE	2	1	1
KOREAN	0	0	0
CARIBBEAN	0	0	0
IRISH	0	0	0
KOSHER	0	0	0
GASTROPUB	0	0	0
PIZZA	13	6	10
MIDDLE EASTERN	0	0	0

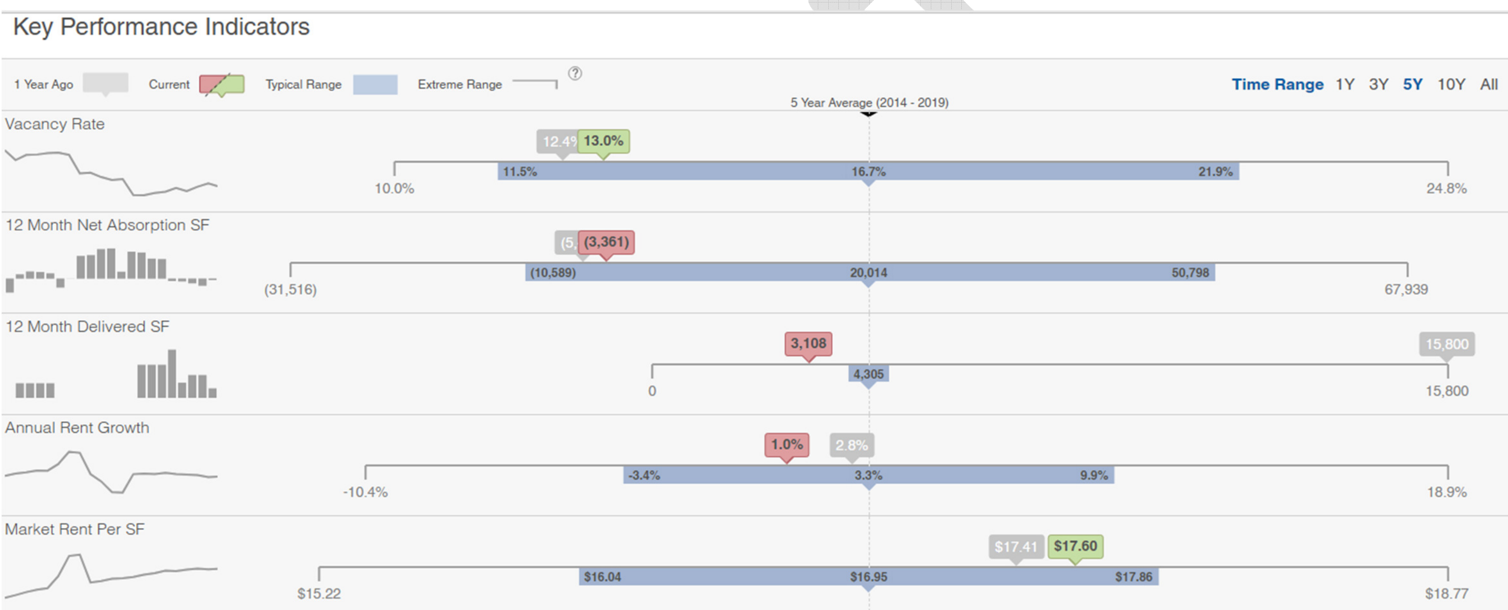
Business Category	Total Population Over-/Under-Supply	Total Employees Over-/Under-Supply	Average
SPANISH	0	0	0
THAI	2	1	2
CONTINENTAL	0	0	0
MEXICAN	1	-15	-7
VIETNAMESE	2	0	1
BAKERY	1	0	0
ASIAN	3	1	2
SEAFOOD	7	3	5
POLISH	0	0	0
BURGERS	4	-5	0
CHICKEN	-2	-7	-4
FUSION	2	1	1
BRAZILLIAN	0	0	0
ENGLISH	0	0	0
INTERNATIONAL	0	0	0
MOROCCAN	0	0	0
ORGANIC	0	0	0
MEDITERRANEAN	4	3	3
SOUTH AMERICAN	-1	-1	-1
SOUTHERN	0	0	0
TAPAS	0	0	0
AFRICAN	0	0	0
SOUTHWESTERN	1	0	1
DINER	0	0	0
CUBAN	1	1	1
SUSHI	1	0	1
CANADIAN	0	0	0
GLUTEN-FREE	0	0	0
VEGAN	0	0	0

Nassau Bay (1-Mile Radius) Retail

The 1-mile radius of Nassau Bay includes 854,233sf of retail space with no additional space under construction. An additional 9,385sf is proposed in this market.



Source: CoStar



Source: CoStar

Vacancy has been steadily declining from its high of 21.9% in 2014. Absorption has trended toward the negative over the past few years while deliveries were on-going. Rent growth has been steady over the past few years varying from $15.22 to $18.77.

Figure 16: 1-Mile Radius Nassau Bay Retail

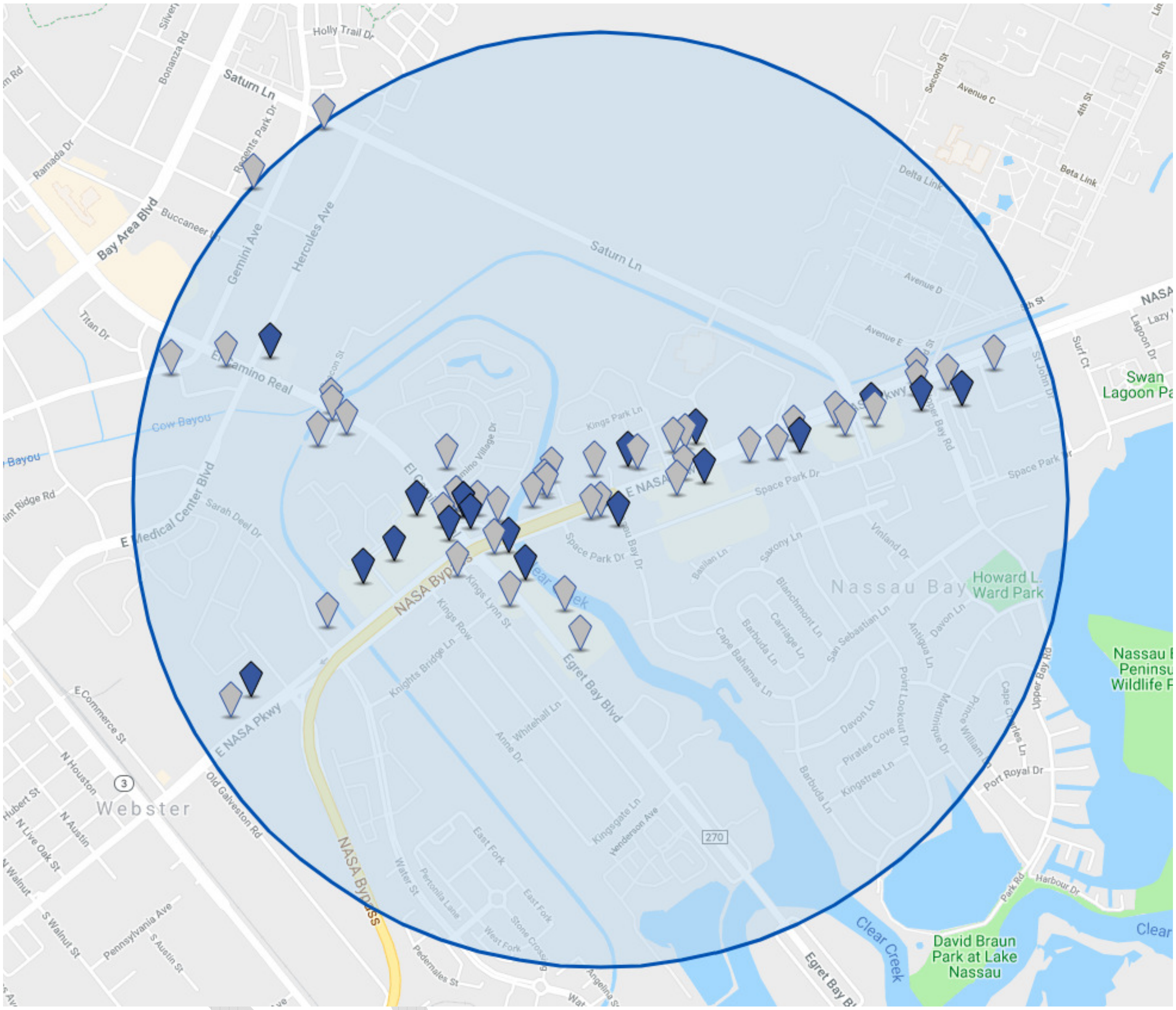


Table 59: Nassau Bay Retail (1-mile radius)

Building Address	Building Name	PropertyType	Year Built	Year Renovated	Rentable Building Area	Average Weighted Rent	Percent Leased
18111-18313 Egret Bay Blvd	Marina Gate	General Retail (Neighborhood Center)	1984		46080	17.38	73.07
17301-17337 El Camino Real		General Retail (Strip Center)	1977	2004	25680	10	59.81
961 Nasa Pky	Village Real Shopping Center	General Retail (Neighborhood Center)	1976	1985	94259	12.29	81.96
1010 Nasa Pky	Marina Gate	General Retail (Neighborhood Center)	1984		83329	16.8	94.06
1400 Nasa Pky	Mid Towne Centre	General Retail (Strip Center)	2001		15400	21	88.64
1425 Nasa Rd		General Retail	1995		5672	23	0
983 W NASA Pky	NASA Road One Shopping Center	General Retail (Strip Center)	1977		11256	14	88.45
505 E NASA Rd 1		General Retail	2017		11358	24.33	62.57
1303 NASA Road One	Kings Court Shopping Center	General Retail (Strip Center)	2005		11408	22	73.34
18018-18030 Nassau Bay Dr		General Retail	1975		8775	13.24	59.58
18000 Upper Bay Rd	NASSAU BAY SERVICE CENTER	General Retail (Strip Center)	1964		12120	12	62.46
18021-18091 Upper Bay Rd	Nassau Bay Shopping Village	General Retail (Neighborhood Center)	1964		47295	14.5	87.11
18206 Egret Bay		General Retail	1996		6240	-	100
18301-18313 Egret Bay Blvd	Marina Gate	General Retail (Neighborhood Center)	1984		32296	-	100
18339 Egret Bay Blvd		General Retail	1994		4808	-	100
17150 El Camino Real		General Retail	1978		9397	-	100
17380 El Camino Real		General Retail	1968		2640	-	100
17400 El Camino Real		General Retail	1974		8241	-	100
17647 El Camino Real		General Retail (Strip Center)	1979		18828	-	100
18003 El Camino Real		General Retail	1975		2100	-	100
17940 El Camino Village Dr		General Retail (Neighborhood Center)	1976		1900	-	100
938 Gemini St		General Retail	2000		3301	-	100
1211 Gemini St		General Retail	1987		6378	-	100
1330 Gemini St	JSC Federal Credit Union	General Retail	1975		10800	-	100
1354 Nasa Blvd	Nassau Bay Gateway Plaza	General Retail (Strip Center)	2007		13000	-	100
1910 NASA Pkwy	Shell	General Retail	1960		1692	-	100
914 NASA Pky	NASA RD FLASH GAS STATION	General Retail	2017		4256	-	100
1101 Nasa Pky		General Retail	1964		8847	-	100
1199 Nasa Pky		General Retail	1979		1798	-	100
1208 Nasa Pky		General Retail	1969		1657	-	100
1212 Nasa Pky		General Retail	1969		3705	-	100
1301 Nasa Pky	Walgreens	General Retail	1973		14820	-	100
1311 Nasa Pky		General Retail	1973		1542	-	100
1360 Nasa Pky		General Retail	2000		3150	-	100

Building Address	Building Name	PropertyType	Year Built	Year Renovated	Rentable Building Area	Average Weighted Rent	Percent Leased
1403-1419 Nasa Pky	Kings Park	General Retail (Strip Center)	1973	2008	7840	-	100
1421 Nasa Pky		General Retail	1996		4659	-	100
1600 Nasa Pky		General Retail	1984		11686	-	100
1702 Nasa Pky		General Retail	1985	2017	3360	-	100
1750-1790 NASA Pky	Phase II	General Retail (Neighborhood Center)	2013		19106	-	100
1900 Nasa Pky		General Retail	2018		4971	-	100
2000 Nasa Pky		General Retail	2014		4775	-	100
2040 Nasa Pky	Fuddruckers	General Retail	1983		7379	-	100
1199 NASA Rd 1	1199 NASA I Atrium	General Retail	1978	1989	38860	-	100
1111 E Nasa Rd		General Retail	1974		6150	-	100
803 E NASA Rd 1	Challenger Plaza	General Retail (Neighborhood Center)	1984	2018	36067		79.57
E Nasa Pkwy & N Sarah Deel Dr		General Retail	2018		2500		100
403-425 Nasa Rd 1		General Retail (Strip Center)			25725		100
1610 Nasa Rd 1	CVS - Clear Lake	General Retail	1997		11326		100
1800-1820 Nasa Rd 1	Retail Phase I	General Retail (Neighborhood Center)	2010		17605		71.35
803 E NASA Rd 1	Challenger Plaza	General Retail (Neighborhood Center)	1984	2018	39407		53.13
1052 E Nasa Rd 1		General Retail (Strip Center)	2006		2801		100
1009-1011 W NASA Rd 1		General Retail	2019		4785		0
1025 W NASA Rd 1	Clear Lake Center	General Retail (Strip Center)	1967		24500		100
1041-1051 W NASA Rd 1		General Retail (Strip Center)	1967		6392		100
901 Oakgrove Dr		General Retail (Strip Center)	1969		7500		100
915 Oakgrove Dr		General Retail	1972		4583		100
18000 Point Lookout Dr	Nasa Town Center	General Retail (Strip Center)	1975		10086		92.02
18006 Saturn Ln		General Retail (Neighborhood Center)	2013		6808		100
18045 Saturn Ln		General Retail (Neighborhood Center)	2011		6734		100
1009 W NASA Rd 1		General Retail (Strip Center)	2019		4600		0
Totals/Averages			**1987**	**2006**	**854233**	**16.71**	**88.79**

Source: CoStar

Estimating Supportable Retail in the CMA and Study Area

According to research provided by CoStar, July 2017, sales per square foot at all but a few public retailers have declined to an average of around $325 in recent years, down from nearly $375 in the early 2000s.

Applying this average per square foot sales to the estimated expenditures in the CMA, there is support for 289,226sf in the CMA over the next five years.

The CMA includes 10,632,205sf currently with an additional 150,000sf under construction and another 169,759sf proposed. Absorption in the CMA was a negative 157k over the past 12 months. At 289,226af over five years, 57,845sf annually appears to be reasonable.

Table 60: Supportable Retail in the CMA (3-mile)

Consumer Buying Power Retail Store Types	CMA						
	2019 Aggregate Expenditure Estimate	%	2024 Aggregate Expenditure Estimate	%	Increase in Sales	Avg Sales PSF	Supportable Retail SF from Expenditures
TOTAL SPECIFIED CONSUMER EXPENDITURES (CMA)							
All retail stores (NAICS 44-45)	**$726,441,860**		**$820,440,427**		**$93,998,567**	**$325**	**289,226**

Study Area Supportable Retail

Nassau Bay (1-mile radius) includes 8.0% of the overall CMA retail currently. Absorption has trended toward the negative over the past few years while deliveries were on-going. Based on 10% the projected growth or 28,923sf over the next five years, Nassau Bay should be able to support the growth of 6,000sf annually easily.

Conclusions and findings for the Study Area Based on Research:

- CDS estimates that Nassau Bay could absorb up 115,690sf total of retail space over the next five years (40% of projected demand based on lack of retail).
- If a grocery store, restaurants, wine bar, women's apparel, were added to the market, Nassau Bay could easily absorb up to 289,226sf.
- Based on the leakage analysis, there is certainly room for more retailers in the CMA and Nassau Bay in categories Furniture, Food and Beverage Stores (Grocery), Clothing, Sporting goods, and General Merchandise.
- The Opportunity Analysis indicates the area is lacking in general merchandise, convenience stores, food products, grocers, automobile parts and supplies, service stations, men's clothing, women's apparel, bridal shop, fashion accessories, children's clothing, shoes, toys, and furniture dealers. Pharmacies are also lacking in this area as well as liquor stores.
- As far as restaurants, the area is lacking in Barbeque, Bars, Cajun, Mexican, Chicken and South American. These shortages (Under) are based on both population and employment.

- Retailers over the next five years should be those which would fill the gaps in opportunities and stop the leakage.

Conclusions and findings for the Study Area Based on the Online Survey:

- Respondents said they most frequently spend the most per month on household items, women's apparel, and services (nails, spa, hair, etc.)
- Per month spending was $100 to $250 for 40% of the respondents; $250 to $400 (20%); and over $400 (16%) for the above items - LEAKAGE
- 465 (77%) of the respondents said a grocery store was needed most in Nassau Bay followed by garden store, home improvement, hardware, and women's apparel
- 79% (477) said they would frequent a grocery store most often if located in Nassau Bay
- Services needed in Nassau Bay – Bakery (38%), Health Club (31%), and Spa (27%)
- Nassau Bay could benefit from Café or Bistro (outdoor dining), Sit down casual, Wine Bar or brewery, and family style restaurant
- Seafood was the number one choice for restaurant followed by breakfast and barbeque restaurants
- If you could choose one restaurant to be located in Nassau Bay, what would it be? In order of importance: Gringo's, Buffalo Wild Wings, Seafood, Jason's Deli, Outback, Jimmy Changas, Frenchy's, Barnaby's, Carrabas, Casa Ole, Gyukaku, Local Foods, Texas Roadhouse, Whataburger, and True Foods
- 204 (35%) of respondents said they would frequent a new restaurant once a week; 26% said 2 to 4 times per month
- 52% (301) of respondents said they would frequent a wine bar if it were in Nassau Bay
- Per month spending was $100 to $250 for 37% of the respondents; $250 to $400 (26%); and over $400 (18%) for restaurants and bars
- Currently less than 10% of the respondents monthly spending is spent in Nassau Bay due to lack of restaurants and bars - LEAKAGE
- Respondents go to the grocery store 2-3 times per week (46%) or once a week (40%)
- Average grocery expense per month 24% said $300 to $400 ($686,400 annually LEAKAGE); 17% spend $400 - $500 per month ($550,800 annual LEAKAGE); and 21% spend over $500 ($967,200 annual LEAKAGE)
- HEB is the most shopped grocery store (84%)
- 263 travel over 3 miles for grocery items due to quality of food; 206 travel for Specialty items
- 56% of respondents said a Specialty grocery is needed – 30% said they would shop once a week; 26% said 2 to 3 times per week
- Grocery Store of choice in Nassau Bay: 116 said Trader Joe's; 115 said Whole Foods; 47 said HEB; 20 said Central Market; 16 said Kroger

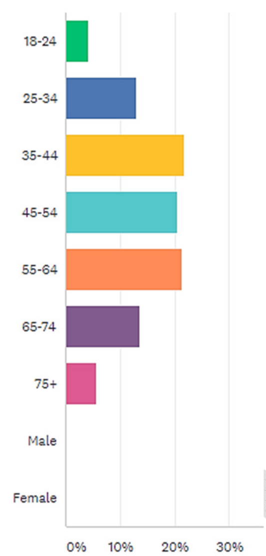
Online Survey

From April 5 to April 22, 2019 an online survey was available to residents and employees of Nassau Bay. At the end of the time period, there were 641 responses. The following outlines the survey results:

Demographic and Economic Questions

What is your age?

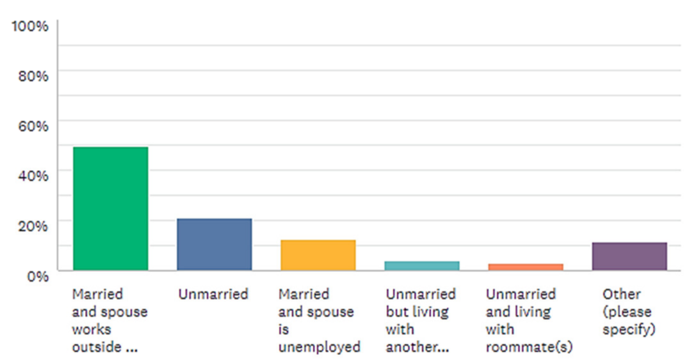
Answered: 641 Skipped: 0



Male	34.69%	222
Male	0.00%	0
Female	65.31%	418

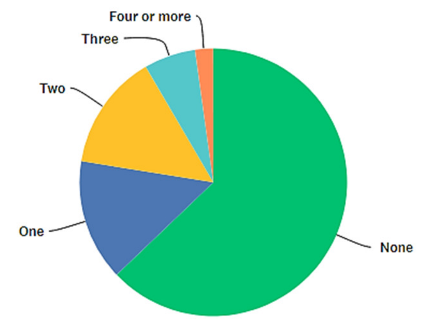
What is your marital status?

Answered: 641 Skipped: 0



How many children under 18 live in your household?

Answered: 641 Skipped: 0

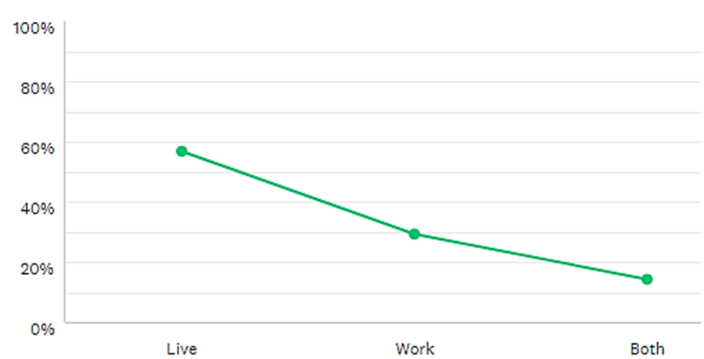


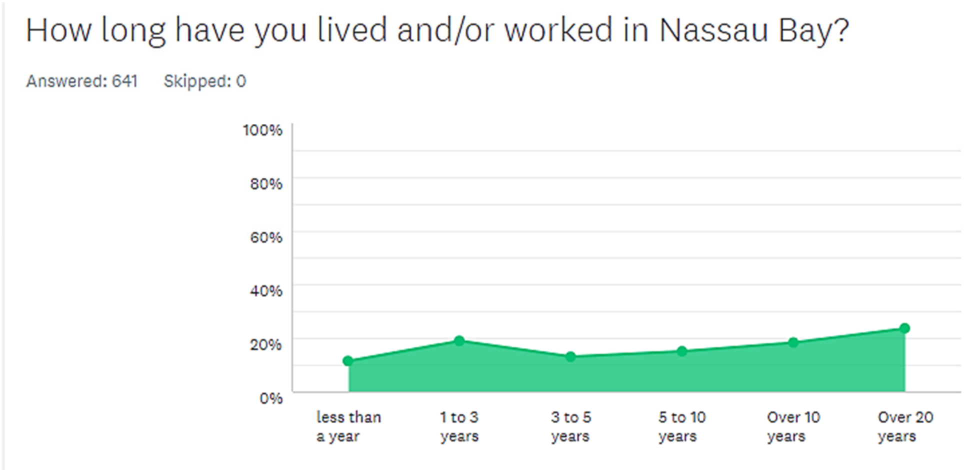
Which one of the following broad categories approximates your total household income?

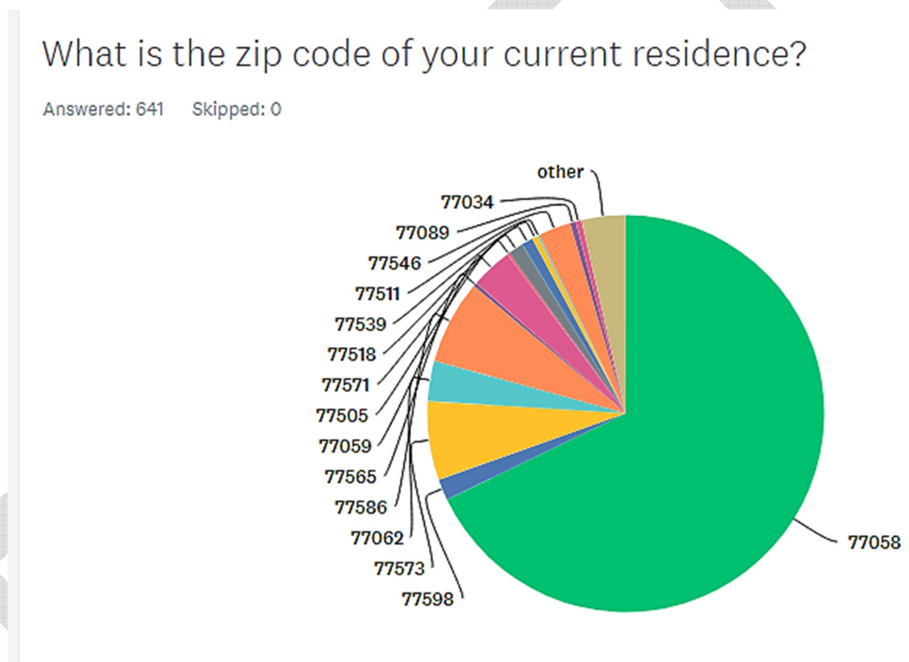
ANSWER CHOICES	RESPONSES
Less than $25,000	1.40%
$25,000-$34,999	2.34%
$35,000-$49,999	5.62%
$50,000-$74,999	11.86%
$75,000-$99,999	13.57%
$100,000-$149,999	22.00%
$150,000-$249,999	23.56%
$250,000-$499,999	8.89%
$500,000 or more	1.56%
Refuse to answer	9.20%
TOTAL	

Do you live and/or work in Nassau Bay?

Answered: 641 Skipped: 0



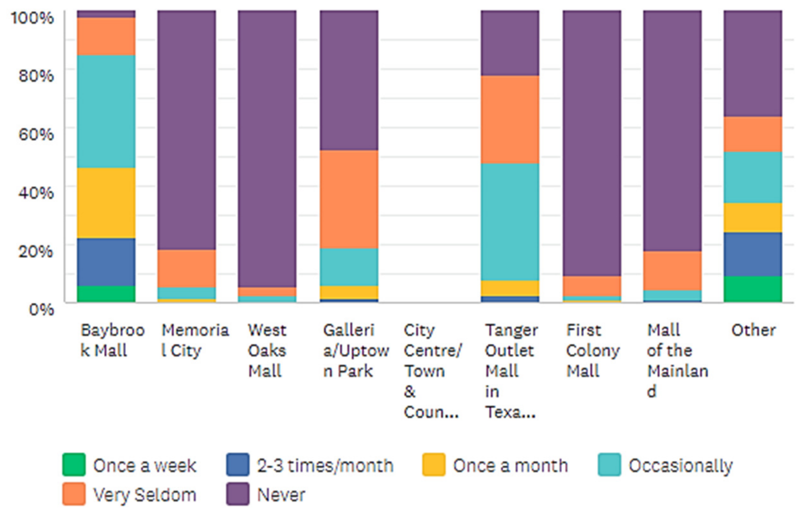

How long have you lived and/or worked in Nassau Bay?
Answered: 641 Skipped: 0
100%
80%
60%
40%
20%
0%
less than a year
1 to 3 years
3 to 5 years
5 to 10 years
Over 10 years
Over 20 years


What is the zip code of your current residence?
Answered: 641 Skipped: 0
other
77034
77089
77546
77511
77539
77518
77571
77505
77059
77565
77586
77062
77573
77598
77058

Retailer Questions

Which shopping centers do you visit most often when you buy articles of clothing, furniture, gifts, shoes, household needs, decorative accessories, and other goods?

Answered: 621 Skipped: 20



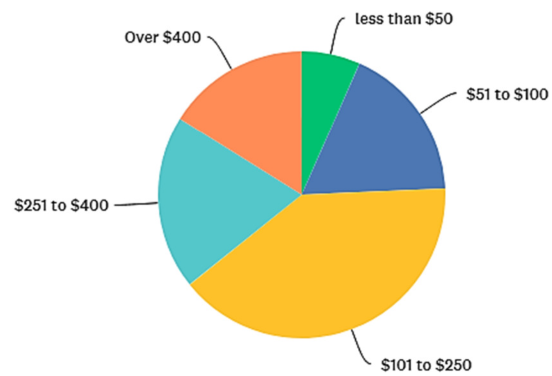
Other includes: Fairmont Parkway, Sams/Walmart, Baybrook Target, Amazon, Kemah, Webster, Highland Village, Rice Village, Miramar, Marshalls, TJ Maxx, Town and Country, League City, Online

If you travel further than 3 miles to shop, what is the main reasons you travel this far for goods and services ? (choose top 5 at most)

Closest store to my home	31.88%	197
Proximity to my workplace	11.00%	68
Quality of items	46.60%	288
Specialty items	43.53%	269
Prices	40.13%	248
Convenience	26.05%	161
Store quality/cleanliness	23.14%	143
Customer service	16.83%	104
More selection	31.39%	194
I shop within 3 miles of my residence or employment	12.94%	80
Other	2.59%	16
Total Respondents: 618		

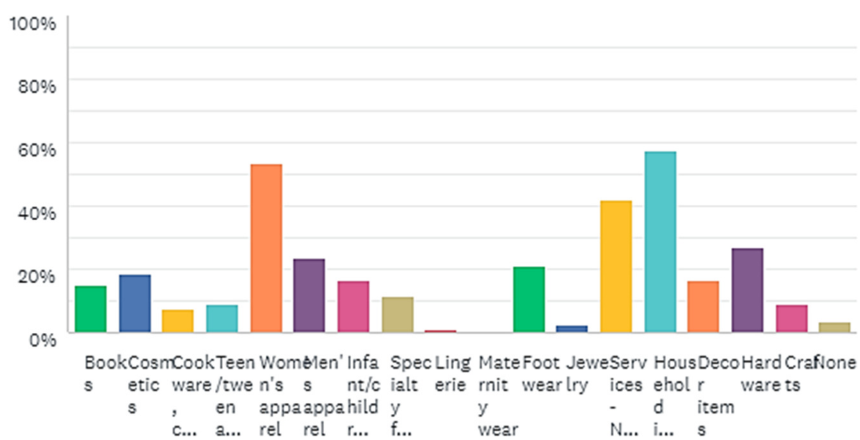
On average, how much do you spend per month on retail goods and services? (excludes grocery store items, medical expenses and restaurants)

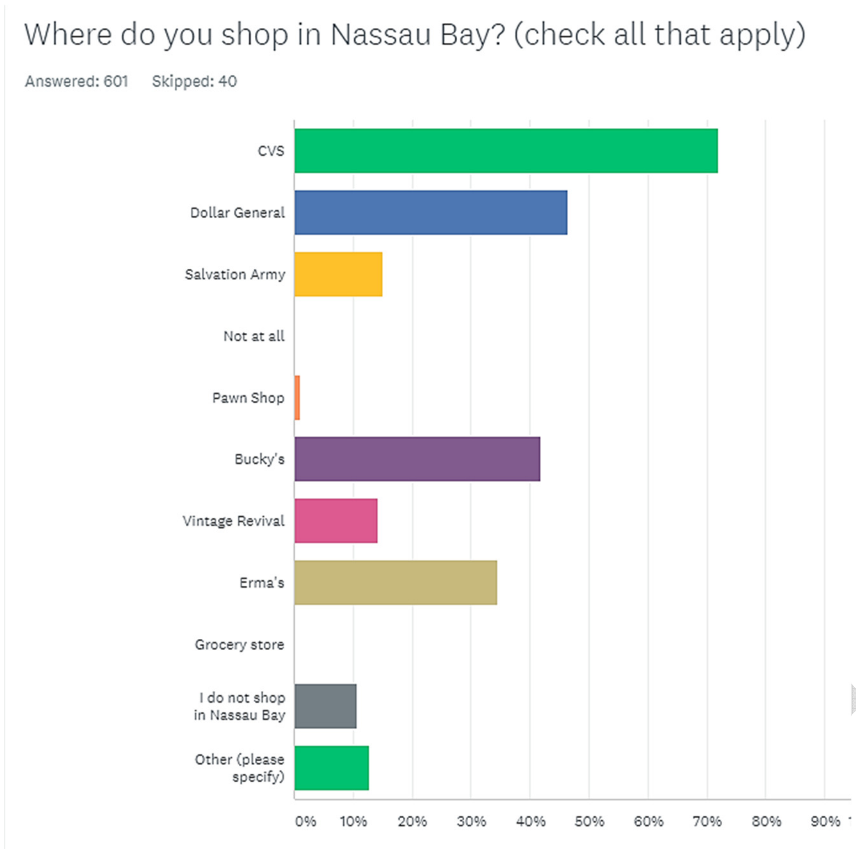
Answered: 621 Skipped: 20

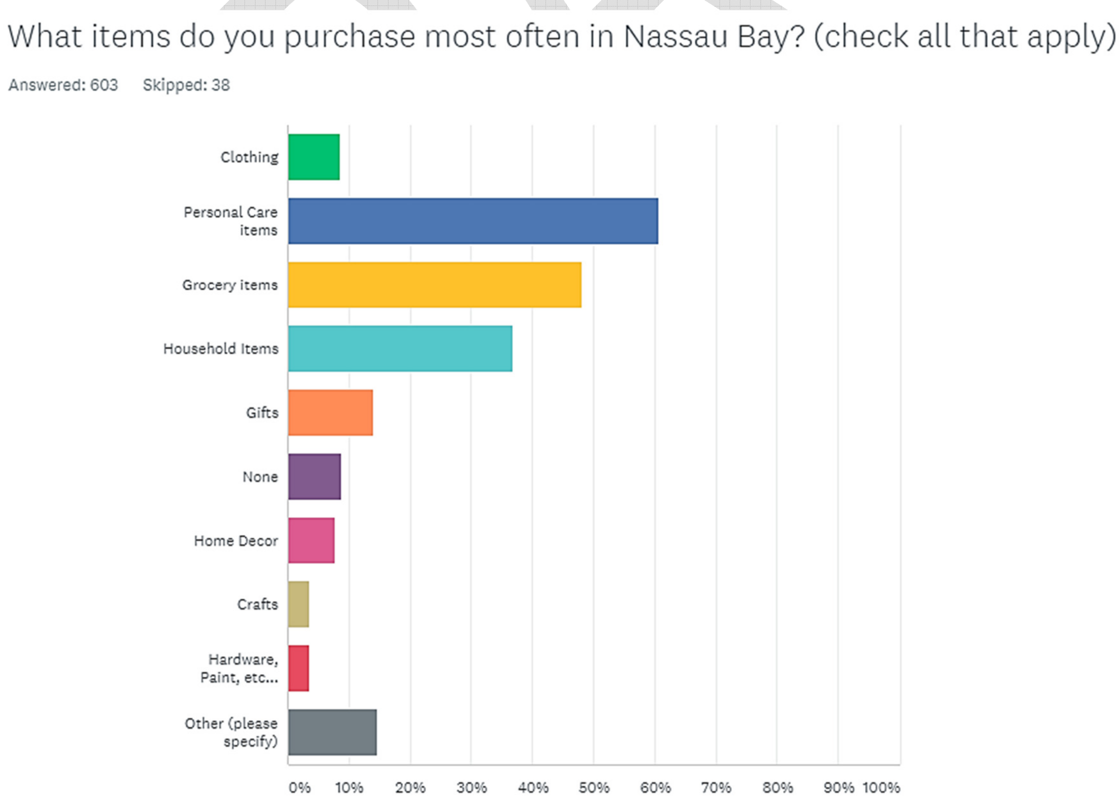


What would you say is your most frequent retail expenditure per month on average? (check top five)

Answered: 621 Skipped: 20




Where do you shop in Nassau Bay? (check all that apply)
Answered: 601 Skipped: 40
CVS
Dollar General
Salvation Army
Not at all
Pawn Shop
Bucky's
Vintage Revival
Erma's
Grocery store
I do not shop in Nassau Bay
Other (please specify)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%


What items do you purchase most often in Nassau Bay? (check all that apply)
Answered: 603 Skipped: 38
Clothing
Personal Care items
Grocery items
Household Items
Gifts
None
Home Decor
Crafts
Hardware, Paint, etc...
Other (please specify)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

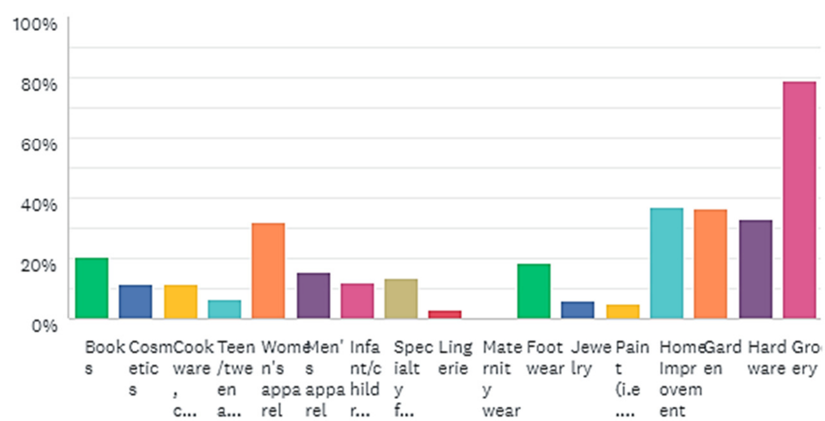
In your opinion, Nassau Bay could benefit from the addition of these types of retailers: (check all that apply)

Answered: 603 Skipped: 38

ANSWER CHOICES	RESPONSES	
Books	17.41%	105
Cosmetics	11.44%	69
Cookware, cutlery and/or kitchen decor	13.10%	79
Teen/tween apparel	8.13%	49
Women's apparel	31.01%	187
Men's apparel	15.75%	95
Infant/children's apparel	11.94%	72
Specialty furniture and/or home furnishings	15.75%	95
Lingerie	3.65%	22
Maternity wear	1.82%	11
Footwear	17.74%	107
Jewelry	6.30%	38
NONE	5.47%	33
Hardware	31.84%	192
Home Improvement	33.83%	204
Garden	36.65%	221
Grocery	77.11%	465

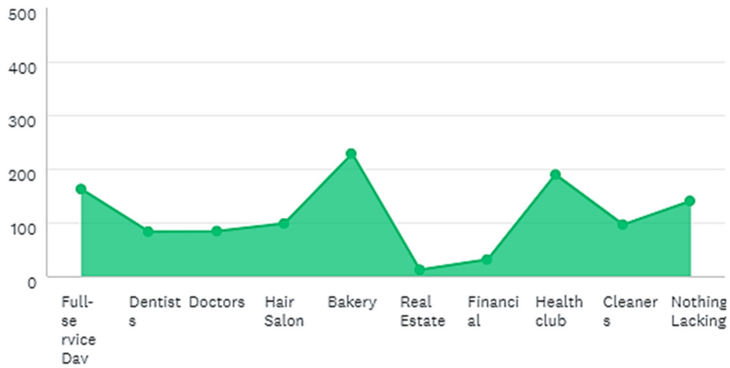
Which type of retailers would you frequent MOST often if they were located in Nassau Bay? (check all that apply)

Answered: 603 Skipped: 38



In your opinion, Nassau Bay could benefit from the addition of these types of services:(check all that apply)

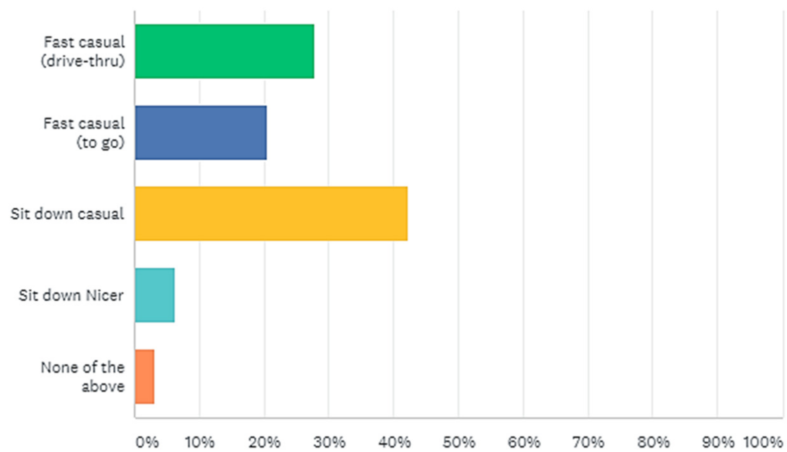
Answered: 603 Skipped: 38



Restaurant Questions

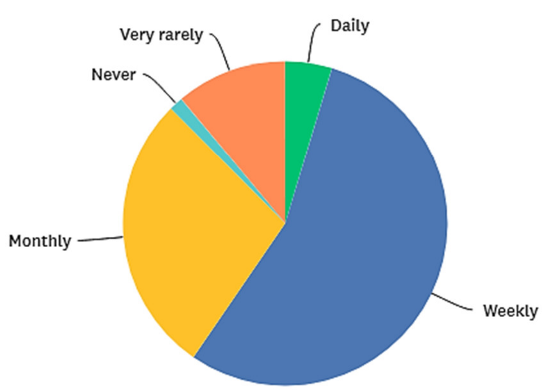
What type of restaurant do you MOST often frequent in Nassau Bay?

Answered: 579 Skipped: 62



How often do you eat at restaurants in Nassau Bay?

Answered: 579 Skipped: 62

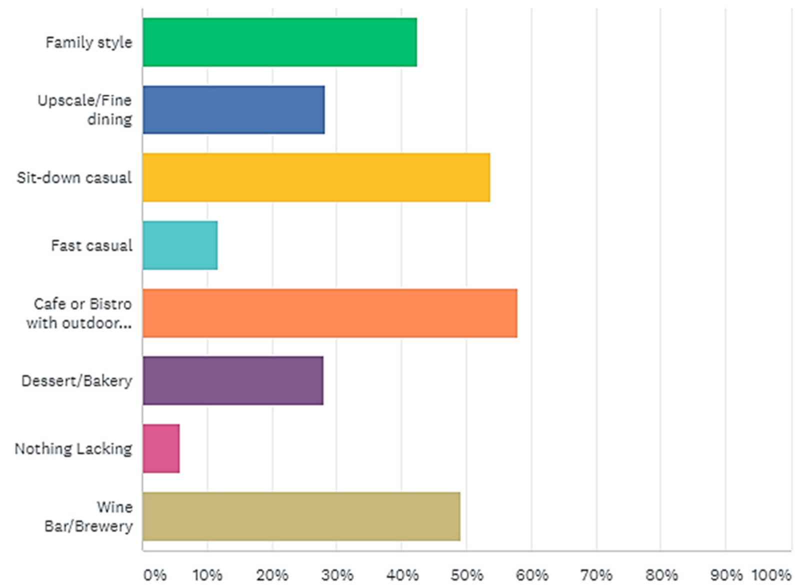


Which restaurant do you most often frequent?

Answers included in order of most answers: Chick-fil-A, Mediterranean Café, Salata, Viola & Agnes Neo Soul Café Bon Appetit Café, 1000 Degrees, Wendy's, Luby's, Akimi Sushi, and Bullritos

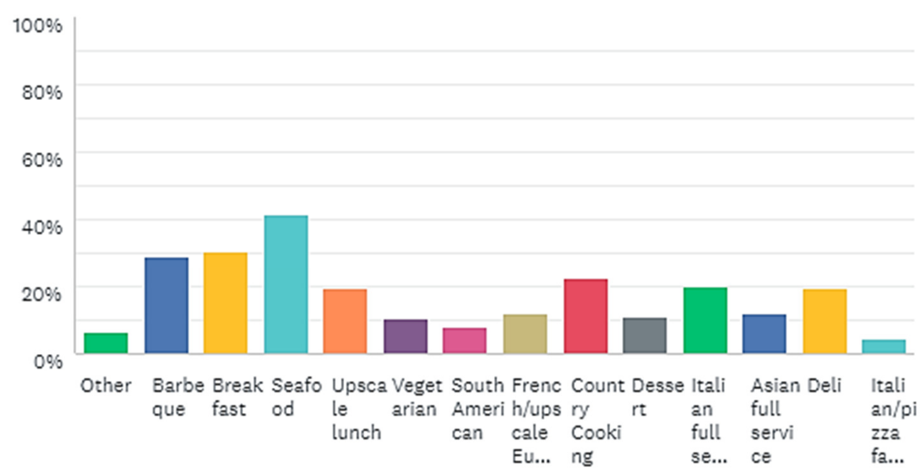
In your opinion, Nassau Bay could benefit from the addition of these types of restaurants: (check all that apply)

Answered: 579 Skipped: 62



Which type of restaurant would you like to see added to Nassau Bay? (Choose top three).

Answered: 566 Skipped: 75

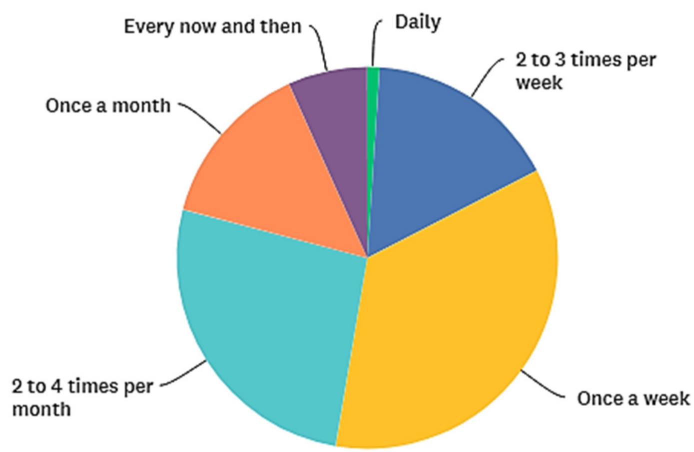


If you could choose one restaurant to be located in Nassau Bay, what would it be?

In order of importance: Gringo's, Buffalo Wild Wings, Seafood, Jason's Deli, Outback, Jimmy Changas, Frenchy's, Barnaby's, Carrabas, Casa Ole, Gyukaku, Local Foods, Texas Roadhouse, Whataburger, and True Foods

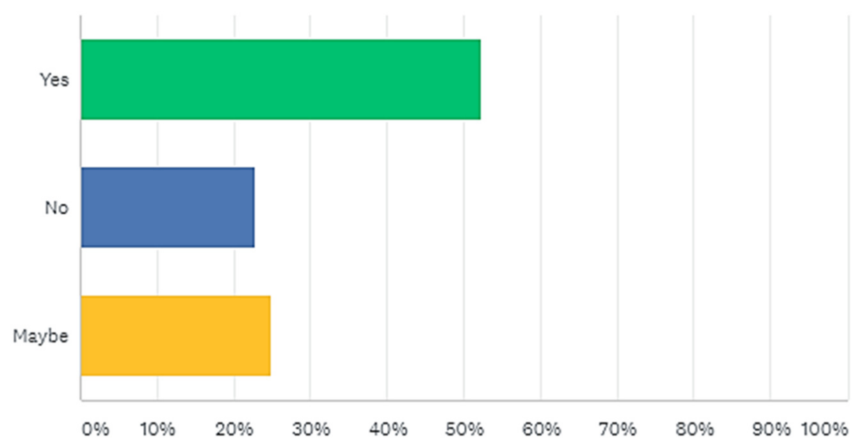
If this restaurant were located in Nassau Bay, how often would you frequent it?

Answered: 579 Skipped: 62



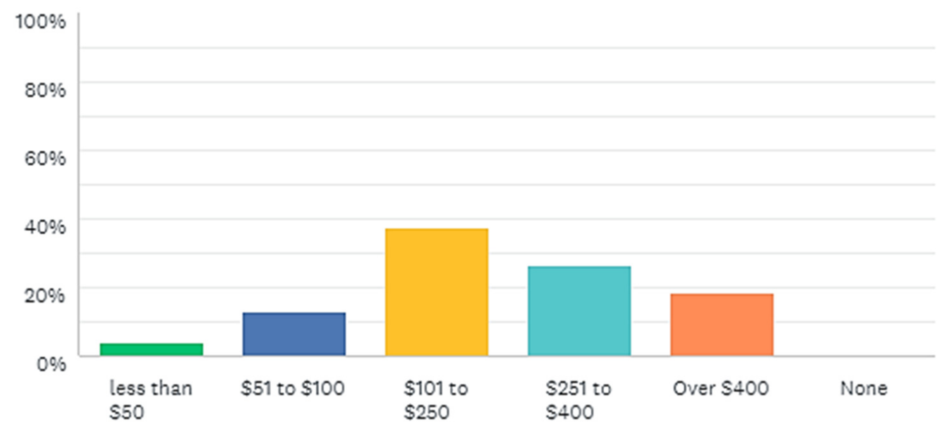
Would you frequent a wine bar or brewery for nightlife/entertainment?

Answered: 575 Skipped: 66



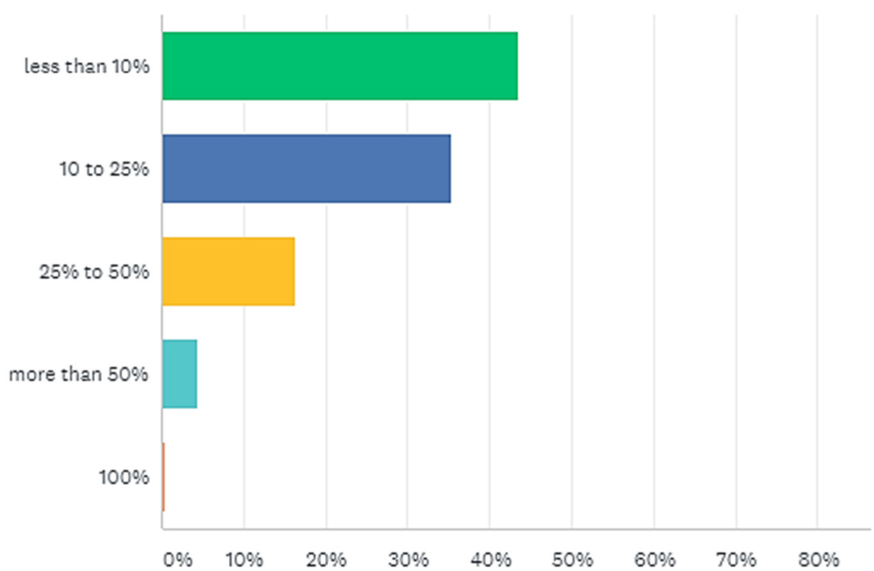
On average, how much do you (your household) spend per month at restaurants/bars?

Answered: 579 Skipped: 62



From the previous question, how much of that monthly expenditure IS SPENT IN Nassau Bay?

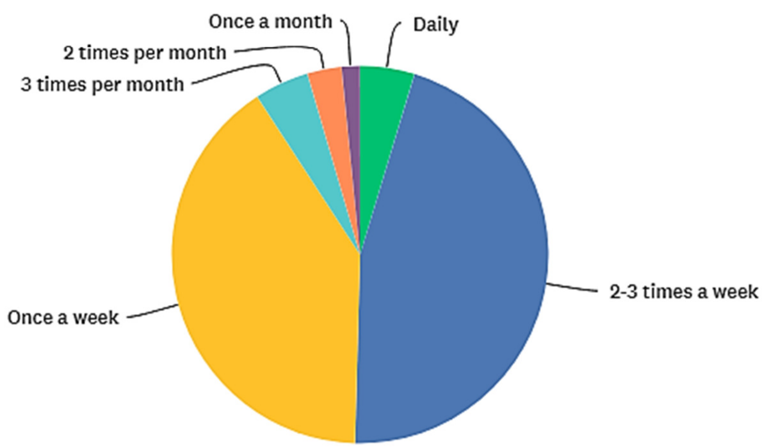
Answered: 579 Skipped: 62



Grocery Questions

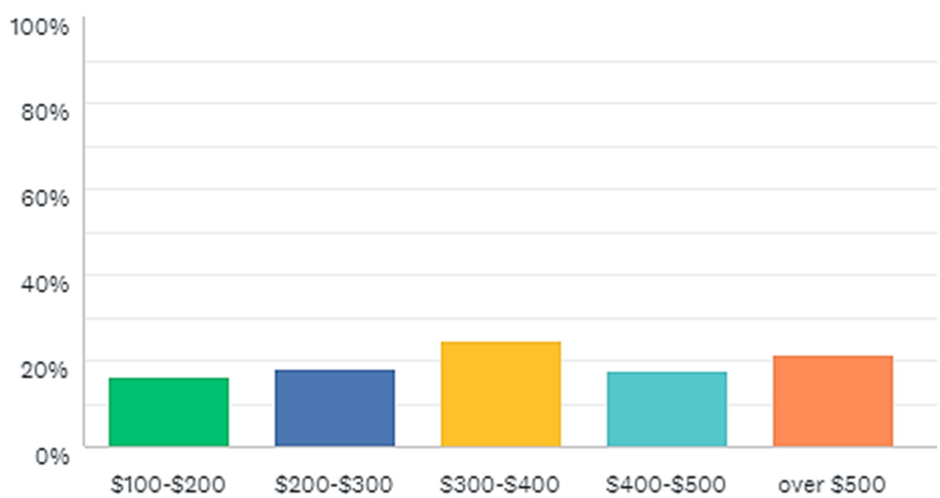
On average how often do you or someone in your household go to the grocery store?

Answered: 577 Skipped: 64



What is your average grocery expense per month?

Answered: 577 Skipped: 64



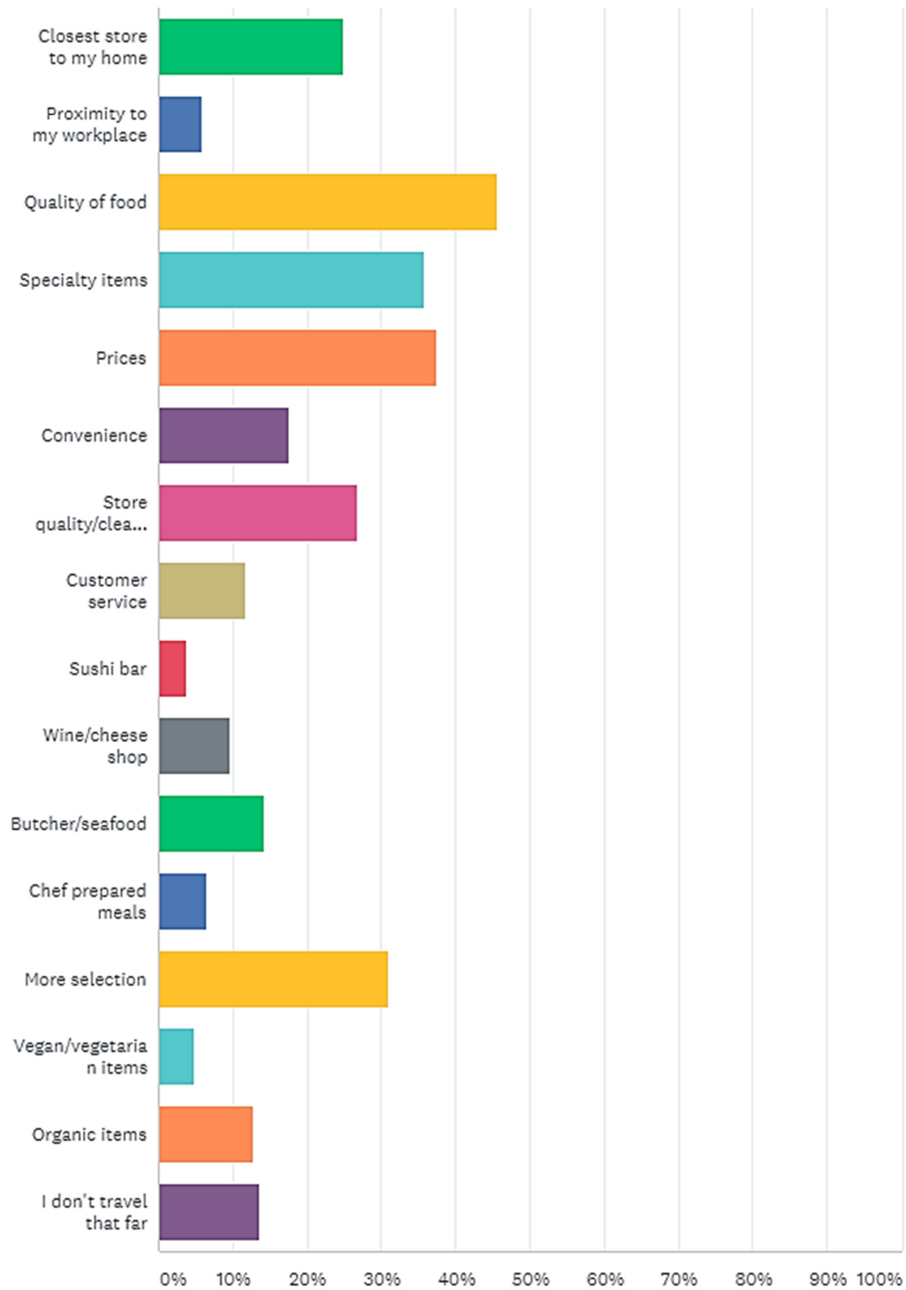
At which of the following stores do you regularly shop for groceries? Check all that you patronize.

Answered: 577 Skipped: 64

HEB	84.40%	487
Kroger	59.79%	345
Aldi	18.20%	105
Whole Foods Market	9.88%	57
Phoenicia Specialty Foods	2.25%	13
Hebert's Specialty Meats	0.17%	1
Rice Epicurean	1.04%	6
Randalls	9.19%	53
Georgia's Farm to Market	0.17%	1
Trader Joe's	11.61%	67
WalMart	25.82%	149
Costco	23.40%	135
Sam's	20.97%	121
El Super	0.00%	0
Arlan's	20.62%	119
Food Town	2.77%	16
Other	3.47%	20

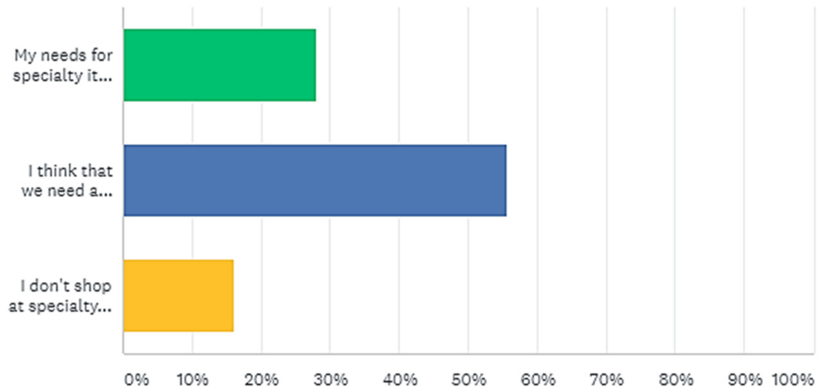
If you travel further than 3 miles, what is the main reasons you travel this far for groceries (choose all that apply)?

Answered: 577 Skipped: 64



New grocery stores offer many specialty items such as butcher shop, deli, cheese/wine, fruit/juice bar, cafe, coffee bar, floral, vegan, organic, chef prepared meals, cooking classes, and on-line shopping. Which of the following statements best describes your satisfaction with the current offerings of such items?

Answered: 576 Skipped: 65



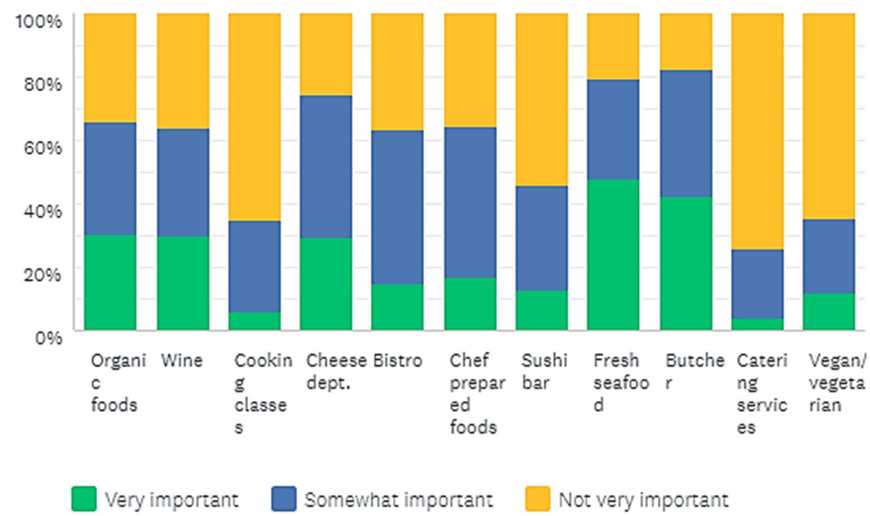
How often would you shop at a specialty grocery store if it were located in Nassau Bay?

Answered: 576 Skipped: 65

Daily	2.60%	15
2-3 times a week	25.69%	148
Once a week	29.69%	171
3 times per month	7.99%	46
2 times per month	8.68%	50
Once a month	8.85%	51
Seldom	13.54%	78
Never	2.95%	17
TOTAL		576

Rank the following specialty items/services by order of importance to you and your household.

Answered: 576 Skipped: 65



Which specialty grocer would you want to see MOST in Nassau Bay?

There was a tie between Trader Joe's and Whole Foods (116 votes each), followed by HEB with 47 votes.

Housing Questions

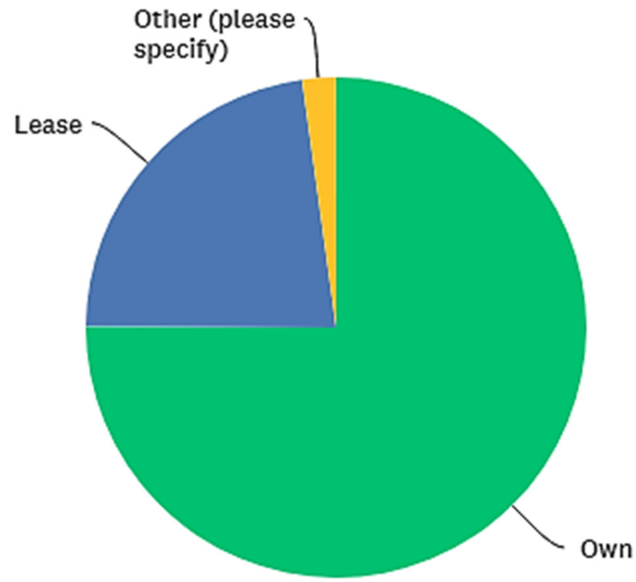
Please describe your current residence....

Answered: 554 Skipped: 87

Single family home detached (not a manufactured home)		65.88%	365
Condominium or Townhome (attached, multiple units)		13.00%	72
Apartment		19.13%	106
Mobile home on permanent site		0.18%	1
RV/trailer on temporary site or seasonal location		0.00%	0
House Boat		0.18%	1
waterview		4.51%	25
water access		2.53%	14
water front		7.04%	39
interior lot		3.43%	19
subdivision lot		8.12%	45
Acreage lot		1.08%	6
Other (please specify)	Responses	0.90%	5

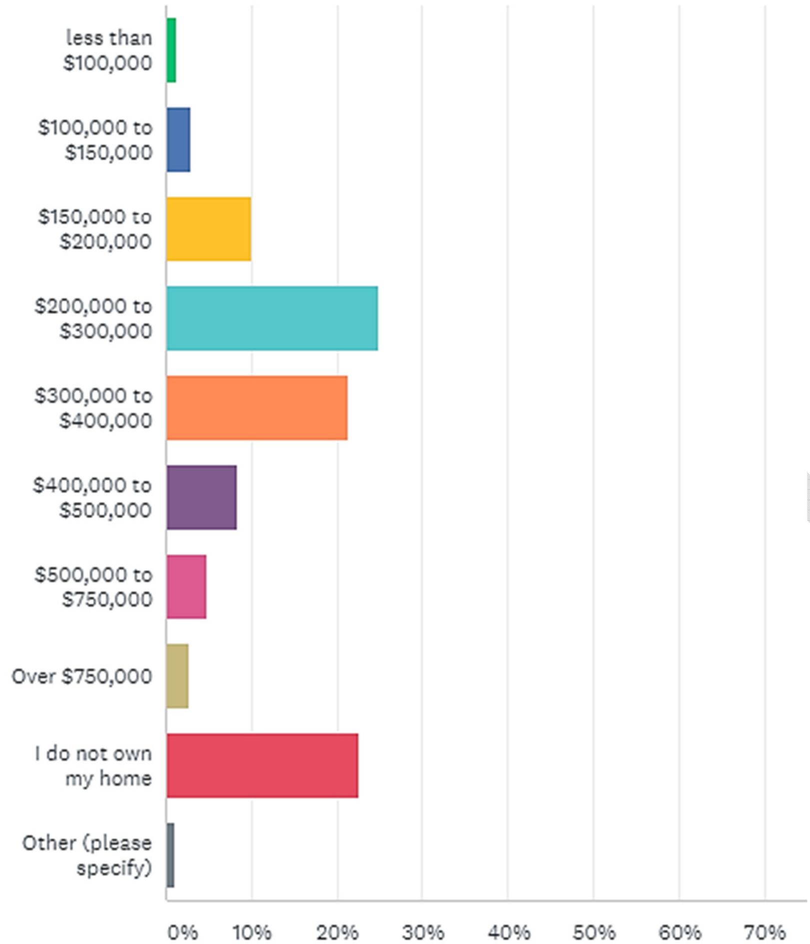
Do you own or lease?

Answered: 554 Skipped: 87



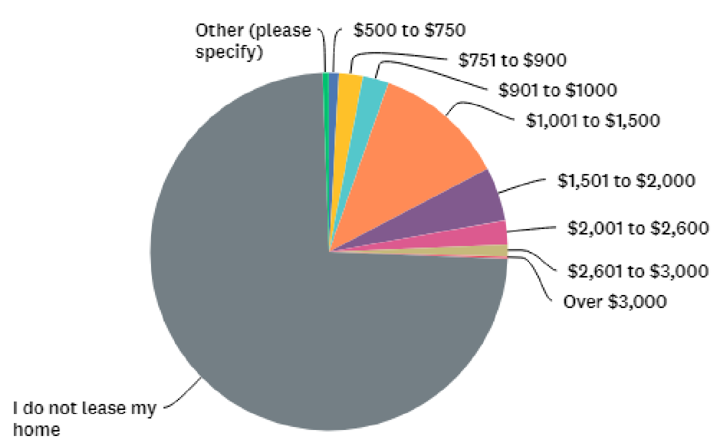
If you own, what is the value of your current home?

Answered: 554 Skipped: 87



If you lease, what is your monthly rental rate?

Answered: 554 Skipped: 87



Are there any reasons that make you desire or need to move to a different home at the present time? (choose all that apply)

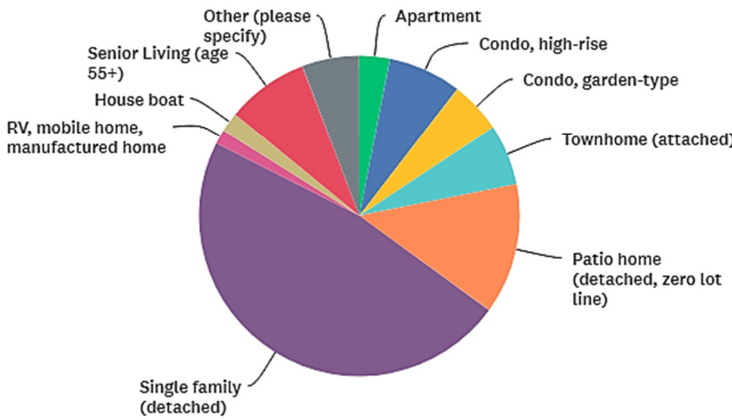
Answered: 554 Skipped: 87

Nothing, I am satisfied		68.59%	380
Dissatisfied with design or condition of my home		2.89%	16
Will be leaving current household, group, family		0.36%	2
Need a larger home		7.76%	43
Need a smaller home		4.15%	23
Want a larger lot		2.71%	15
Want a waterfront, waterview lot		3.79%	21
Want a smaller lot		0.54%	3
Want to retire to a different location		4.51%	25
Want to be closer to work		2.89%	16
Prefer another school district		0.54%	3
Want a lower priced home		2.53%	14
Want to move to Nassau Bay		2.89%	16
Want to move out of Nassau Bay		0.18%	1
Want to sell my home and lease		0.18%	1
Want to buy a home		6.68%	37
Want to retire		2.17%	12
Getting married or having children (household increase in size)		1.62%	9
Other (please specify)	Responses	8.84%	49

Other responses included: lower maintenance, cost of taxes, be nearer grandkids, no HOA, lower rent, single story, closer to work, flood zones, close to Trader Joe's, move into Houston for restuarants/entertainment/transportation, get away from drug dealers and illegal activity, and down-size

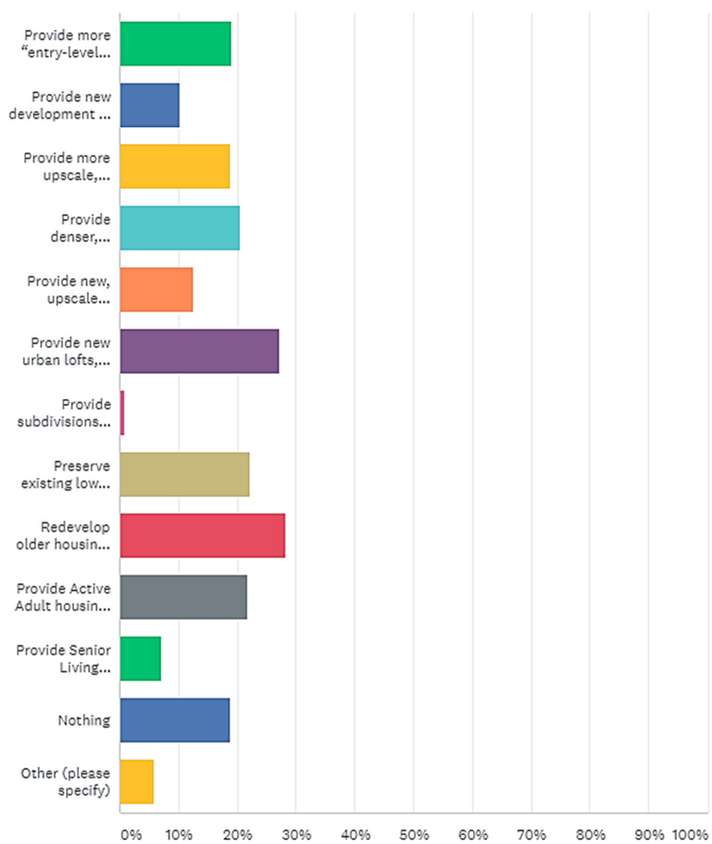
If you were to change your current housing, what would you prefer? (choose one)

Answered: 554 Skipped: 87



Assuming no significant changes to the current trends in the Nassau Bay economy or employers, what do you think are the most important changes needed to provide more supply and choices for housing for Nassau Bay workers? (Choose UP TO FOUR things – you may offer your own opinion as one choice after "Other")

Answered: 554 Skipped: 87



Would you consider purchasing a condominium in Nassau Bay Town Center?

Answered: 554 Skipped: 87

Yes	16.43%	91
No	50.18%	278
Maybe	33.39%	185
TOTAL		554

Would your decision be based on...

Answered: 554 Skipped: 87

	VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT VERY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Location	66.54% 358	20.26% 109	13.20% 71	538	1.47
Pricing	72.71% 389	15.70% 84	11.59% 62	535	1.39
High-Rise Construction	16.76% 86	28.27% 145	54.97% 282	513	2.38
Garden-type Construction	26.06% 135	43.63% 226	30.31% 157	518	2.04
Walkability to Restaurants, Shopping, Entertainment	50.00% 262	32.44% 170	17.56% 92	524	1.68
Walkability to Employment	18.20% 93	25.05% 128	56.75% 290	511	2.39
Amenities	55.62% 292	30.48% 160	13.90% 73	525	1.58

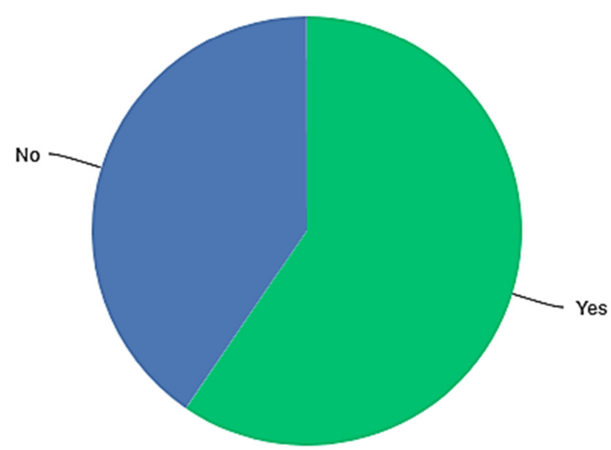
If you were to purchase a condominium in Town Center, what would be your Maximum price point?

Answered: 554 Skipped: 87

$175,000 to $200,000		20.58%	114
$201,000 to $250,000		13.54%	75
$251,000 to $300,000		10.83%	60
$301,000 to $350,000		7.94%	44
$351,000 to $400,000		5.05%	28
I am not interested in a condominium at any price		36.28%	201
I would be interested in a luxury condominium priced from $400,000 to $600,000		2.89%	16
Other (please specify)	Responses	2.89%	16

Would a waterfront/waterview condominium appeal to you more than Town Center?

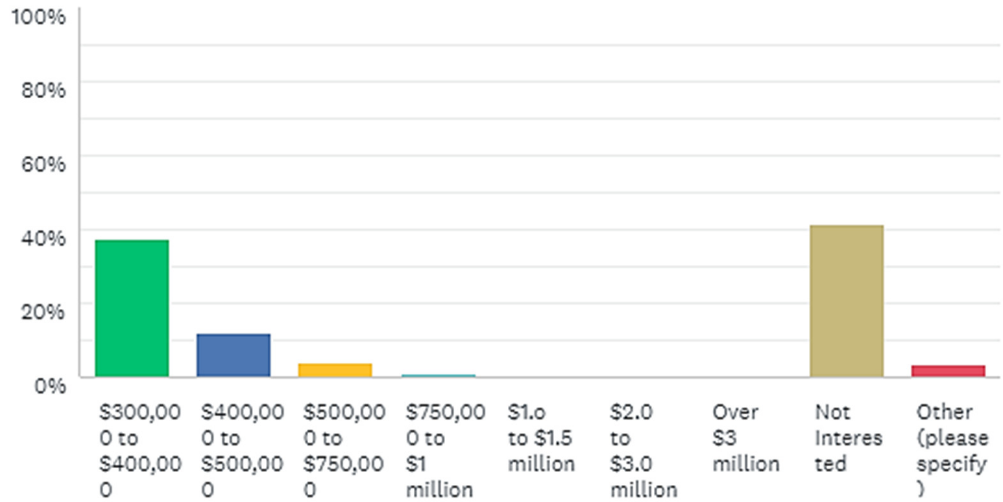
Answered: 536 Skipped: 105



59.5% state they would prefer a waterfront condominium.

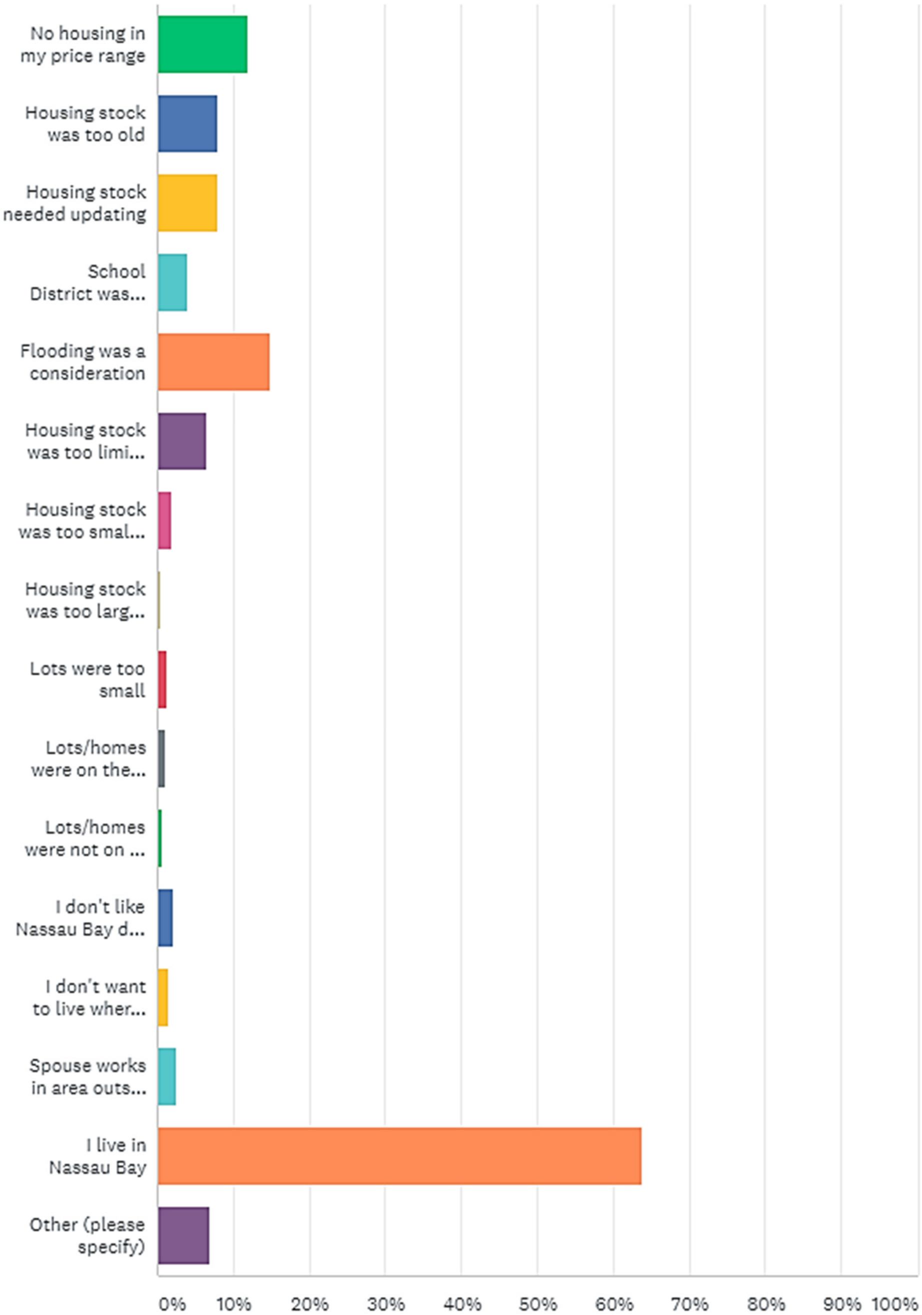
What would be the most you would pay for a waterfront condo?

Answered: 537 Skipped: 104



If you live outside of Nassau Bay, why didn't you choose to live in Nassau Bay?

Answered: 554 Skipped: 87



ADDENDUM

QUALIFICATIONS

BRENDA CRENSHAW

Vice President

Years of Experience: 34

Education:

BBA, **University of Texas,**

Professional Licenses:

Licensed Real Estate Agent

Licensed Real Estate Appraiser

bcrenshaw@cdsmr.com

(281) 582-0935 Direct

Brenda joined CDS in 2008 bringing a diversity of experience to the team including Commercial Appraiser, Site Location Analyst, Portfolio Analyst, and CFO. As Vice President of CDS she is responsible for managing a wide variety of market feasibility and economic studies. Her work entails commercial retail/restaurants, business parks, office, multifamily and single-family housing demand studies. Brenda performs market planning and feasibility studies for private developers, investors, municipalities and local economic development entities. At CDS, Brenda has completed student housing planning and feasibility studies for privately developed and institutionally owned facilities.

She began her career at Weingarten Realty in 1985 as a Site Location Analyst. She assessed land acquisitions for market feasibility, financial feasibility, and business plan fit of new commercial developments. In 1988 at Bank One Corporation, she was a Portfolio Analyst of approximately 80 commercial properties held for disposition by the FDIC.

Her experience includes performance of over 400 appraisal assignments including multifamily housing, hotels and motels, urban/CBD office buildings, retail centers, churches, and industrial properties throughout Texas. Brenda is a member of the Houston Association of Realtors and Commercial Real Estate Women, ULI, and ICSC.

Mrs. Crenshaw's recent professional work includes:

- Student Housing – Evaluated market potential and feasibility for proposed private and public owned and operated student housing facilities both on and off campus for pricing, unit mix and amenities in the US, Canada, and Mexico.
- Business/Industrial Park – Conducted study of market opportunities to assist cities in planning and marketing a new park. City of Conroe, Tomball and Cuero all invested in business parks.
- HGAC Livable Centers Studies – Provided wide-ranging market and economic research to planning teams working together to design Livable Centers.
- Mid/High-rise Residential – Conducted market feasibility analyses determining demand, timing, mix and lease/sales rates for proposed Multifamily and Condo projects.
- Mixed-use Development - Performed studies for planners, developers and land owners to determine the best market supported mix of uses.
- Retail and Office Studies – Both private developers and Cities throughout Texas.

Company History, Staffing & Services

CDS Community Development Strategies was formed in 1971 for the purpose of providing professional market and economic research and consulting services. Specialties include market feasibility and market planning for real estate and economic development. We assist our clients in identifying opportunities and evaluating the conditions and trends that influence project feasibility, site location, design criteria, and financing. Our Mission is to provide objective recommendations for optimal positioning of each development relative to market area demographics, economic trends/conditions, site considerations, competitive market activity and urban growth patterns.

Staff members have completed over 4,000 research and planning studies addressing all types of residential, commercial, industrial and recreational real estate development.

Professional Services

- Real estate development planning and feasibility
- Market and economic analysis
- Strategic market planning for communities
- Urban redevelopment / revitalization
- Public investment impact analysis
- Suburban, urban and exurban housing studies
- Demographic, economic and competitive analyses
- Commercial and industrial development opportunities
- Market support for special districts
- Approved by the TDHCA for LITCH affordable housing studies
- Commercial and industrial development opportunities
- Economic development and land utilization
- Semi-annual Subdivision and Lot Price Survey

Professional Staff

Steven R. Spillette	President
Brenda G. Crenshaw	Vice President
Michael Pratts	Market Analyst
Ty Jacobsen	Market and GIS Analyst
Kent Dussair	Managing Director
Charles R. Savino, AICP	Principal Associate
Scott Reineking	Senior Associate
Arlene Fisher	Senior Associate
Kirby Snideman	Senior Associate

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