



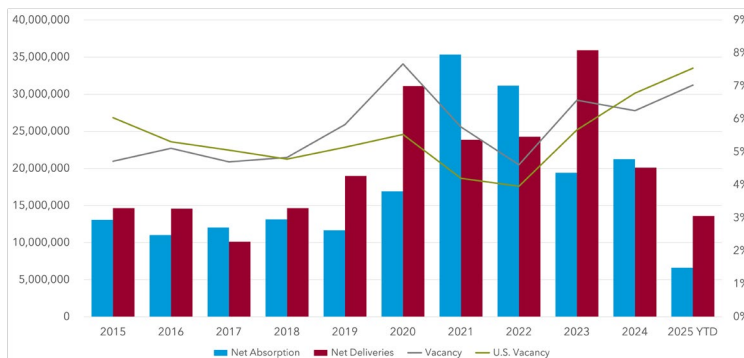
INDUSTRIAL MARKET OVERVIEW

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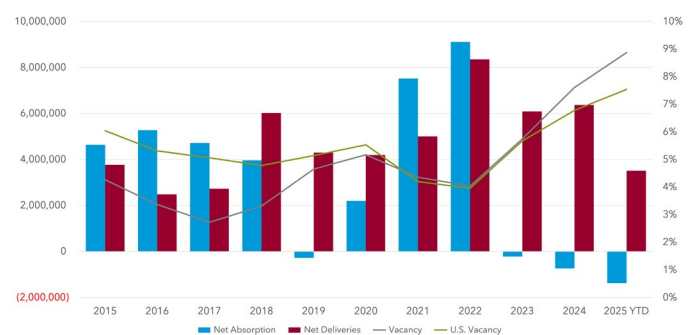
Houston's industrial market remained active in Q3 2025, recording 1.45 million square feet of net absorption over the past 12 months, signaling steady tenant demand. The vacancy rate edged up slightly to 5.7%, while average triple-net asking rents increased to \$10.51 per square foot, extending steady rent growth. Construction activity remained strong, supporting ongoing supply in key logistics corridors. Leasing continued across e-commerce, manufacturing, and energy-related users, reflecting Houston's diversified demand base. Investment interest persisted, with cap rates stable amid cautious optimism. Overall, fundamentals remain healthy, underscoring sustained tenant activity and long-term strength in the metro's industrial market.

| MARKET INDICATORS | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 1,448,032 | 2,974,660 | 1,279,672 | 4,608,067 | 6,730,646 |
| ▲ Vacancy Rate | 5.70% | 5.60% | 5.30% | 5.30% | 5.40% |
| ▲ Avg NNN Asking Rate PSF | \$10.51 | \$10.27 | \$9.74 | \$9.63 | \$9.56 |
| ▼ Sale Price PSF | \$95.00 | \$134.00 | \$195.00 | \$108.00 | \$115.00 |
| ▼ Cap Rate | 6.00% | 6.90% | 7.30% | 8.00% | 7.40% |
| ▲ Under Construction SF | 21,115,581 | 18,450,958 | 17,803,107 | 16,481,611 | 14,421,526 |
| ▲ Inventory SF | 79,634,895 | 74,019,661 | 71,727,289 | 69,555,907 | 70,185,722 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|--------------|-------------|---|----------------|
| Fairbanks Logistics Park Houston, TX | 1,011,521 SF | Undisclosed | Foxconn Dalfen Industrial | Class A |
| Pinnacle Logistics Park Houston, TX | 895,000 SF | Undisclosed | Undisclosed Hillwood Development | Class A |
| Layne Crossing/Victory Commerce Ct Houston, TX | 879,613 SF | Undisclosed | The Blackstone Group Crow Industrial | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|--------------|----------------|------------|-----------------------------|
| 31270 Kingsland Boulevard Brookshire, TX | 1,051,549 SF | Hunt Southwest | Pepsi | Manufacturing |
| 410 West Road Houston, TX | 728,080 SF | Vigavi | Panelmatic | Packaging Machinery |
| 1401 Rankin Road Houston, TX | 656,658 SF | Prologis | Foxconn | Electronics Manufacturer |

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