



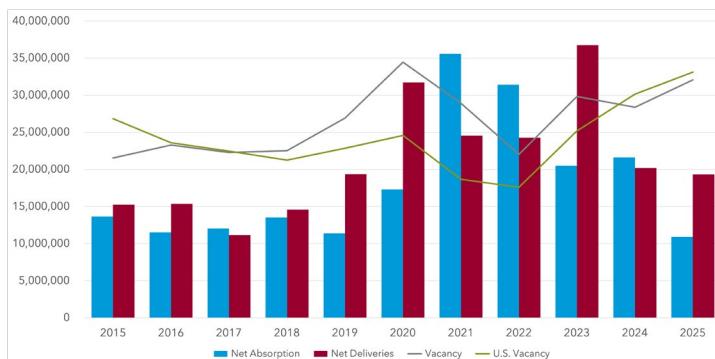
INDUSTRIAL MARKET OVERVIEW

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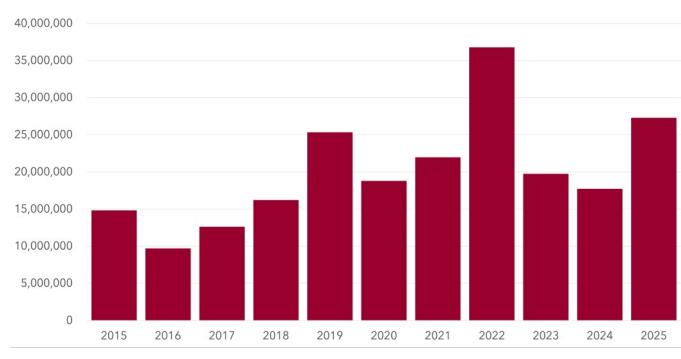
Houston's industrial market stayed fundamentally healthy in 2025, though momentum cooled from recent peaks. Twelve-month net absorption totaled 10.9M SF in Q4 2025, down from 21.6M SF a year earlier, reflecting slower-but still positive-demand. Vacancy ticked up to 7.2%, remaining below the national average and signaling continued tenant resilience. Asking rents climbed steadily to \$0.80 PSF, while sales prices increased to \$111 PSF as cap rates stabilized around 7.7%. Construction accelerated to 27.3M SF, expanding inventory and likely adding near-term upward pressure on vacancy as new deliveries come online.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	10,905,753	11,990,243	15,758,373	17,984,690	21,628,723
◀ ▶ Vacancy Rate	7.2%	7.2%	7.0%	6.6%	6.4%
▲ Avg NNN Asking Rate PSF	\$0.80	\$0.79	\$0.78	\$0.76	\$0.75
▲ Sale Price PSF	\$111.00	\$109.00	\$109.00	\$104.00	\$103.00
◀ ▶ Cap Rate	7.70%	7.70%	7.70%	7.80%	7.80%
▲ Under Construction SF	27,300,000	22,600,000	19,300,000	19,200,000	17,700,000
▲ Inventory SF	862,000,000	858,000,000	853,000,000	846,000,000	843,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Alamo Crossing Commerce Center-Houston, TX	1,047,797 SF 4 Bldgs	Undisclosed	Granitte REIT ASB Capital Management	Class A
Highland Grove Business Park Houston, T	1,042,243 SF 5 Bldgs	Undisclosed	Link Logistics Ares Management Corporation	Class A
Empire West Business Park Brookshire, TX	1,038,619 SF 3 Bldgs	Undisclosed	NorthPoint Development Falcon Commercial Development	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
18239 Aldine Westfield Road Houston, TX	435,680 SF	Eastveld	Modular Power Solutions	Manufacturing
20103 Clay Industrial Road Cypress, TX	425,350 SF	Clay Development & Construction	SEG Manufacturing	Solar
18501 Mound Road Houston, TX	407,302 SF	Prologis	Enchanted Rock	Electricity



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