



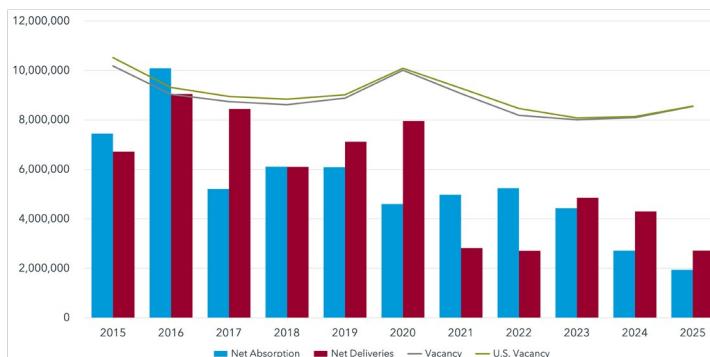
## RETAIL MARKET OVERVIEW

MARY DOETTERL, Research Director

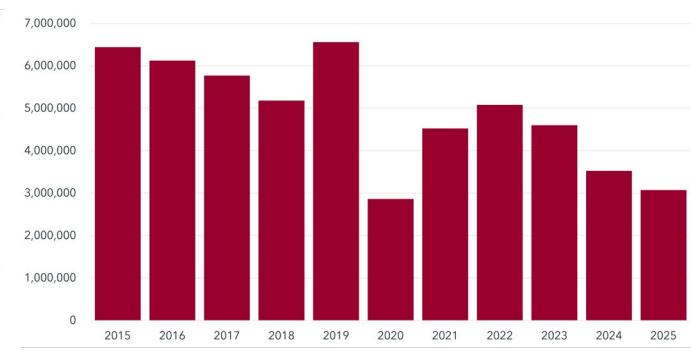
Houston's retail market remained resilient in 2025 despite moderating demand. Twelve-month net absorption totaled 1.94M SF in Q4 2025, down from 2.7M SF in 2024 but still firmly positive. Vacancy inched up to 5.3%, remaining near historic lows and below national averages, underscoring healthy tenant demand. Asking rents continued a gradual rise to \$2.04 PSF, while sales prices increased to \$248 PSF as cap rates held near 7.3%. Construction slowed to 3.1M SF, helping limit future supply pressure and supporting stable fundamentals.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	1,941,493	1,852,251	1,325,457	2,216,398	2,720,802
◀ ▶ Vacancy Rate	5.3%	5.3%	5.3%	5.2%	5.1%
▲ Avg NNN Asking Rate PSF	\$2.04	\$2.03	\$2.02	\$2.02	\$2.01
▲ Sale Price PSF	\$248.00	\$244.00	\$240.00	\$238.00	\$237.00
◀ ▶ Cap Rate	7.30%	7.30%	7.40%	7.40%	7.40%
▲ Under Construction SF	3,100,000	3,000,000	3,300,000	3,800,000	3,500,000
◀ ▶ Inventory SF	448,000,000	448,000,000	447,000,000	446,000,000	446,000,000

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
Commons at Willowbrook Houston, TX	461,109 SF	Undisclosed	Continental Realty Corporation L&B Realty Advisors LLP	Multi-Tenant
Portfolio (7) Shenandoah, TX	440,222 SF	Undisclosed	Undisclosed Kite Realty Group Trust	Multi-Tenant
1513-1549 W. Bay Area Boulevard Webster, TX	275,196 SF	Undisclosed	Fidelis Realty Partners O'Connor Capital Partners	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9700-9702 Bissonnet Houston, TX	44,037 SF	Shaid Hashmi	Charlie's Collectible Show	Retailer
13331 Westheimer Houston, TX	37,224 SF	Wu Properties	Fortis Colleges & Institutes	Colleges and Universities
4411 San Felipe Houston, TX	37,051 SF	INCAP Fund	Undisclosed	Undisclosed



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