



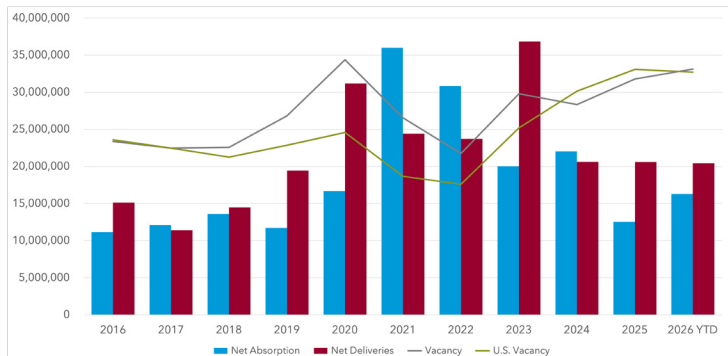
INDUSTRIAL MARKET OVERVIEW

MARY DOETTERL, *Research Director*

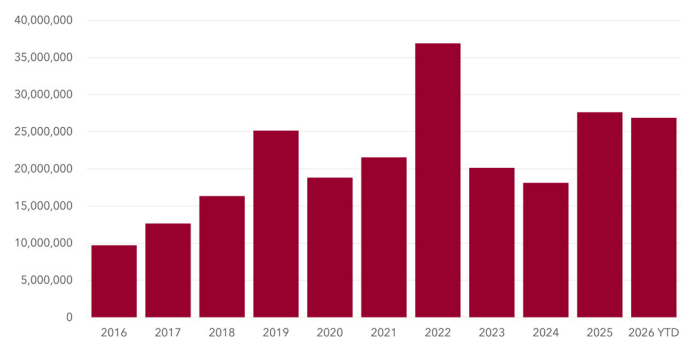
Industrial demand remained robust through Q3 2026, with 12-month net absorption reaching approximately 21.2 million square feet, up from 19.1 million square feet in Q2 2026. Vacancy edged higher to 7.4%, while the construction pipeline declined to 26.9 million square feet from 30.0 million square feet the prior quarter. Overall inventory expanded to approximately 888 million square feet. Average NNN asking rates remained stable at \$0.80 per square foot annually, while sales pricing held at \$109 per square foot and cap rates remained at 7.9%. The quarter's largest leases were concentrated in Southeast submarket, led by two major Tesla lease transactions.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	21,189,085	19,084,596	15,094,952	12,537,818	12,886,108
▲ Vacancy Rate	7.40%	7.20%	7.20%	7.20%	7.00%
◀ ▶ Avg NNN Asking Rate PSF	\$0.80	\$0.80	\$0.81	\$0.81	\$0.81
◀ ▶ Sale Price PSF	\$109.00	\$109.00	\$109.00	\$109.00	\$109.00
◀ ▶ Cap Rate	7.90%	7.90%	7.90%	7.80%	7.80%
▼ Under Construction SF	26,900,000	30,000,000	28,700,000	27,600,000	24,100,000
◀ ▶ Inventory SF	888,000,000	880,000,000	873,000,000	867,000,000	861,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
51-101 Esplanade Blvd Houston, TX	702,814 SF	Undisclosed	INDUS Realty Trust Equus Capital Partners	Class A
7551-7561 S Sam Houston Pkwy E Houston, TX	589,280 SF	Undisclosed	EQT Thackeray Partners	Class A
6411 N Eldridge Pkwy Houston, TX	537,375 SF	Undisclosed	Confidential Constellation Real Estate	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7505 Fisher Rd Baytown, TX	1,218,956 SF	TGS	Tesla	Manufacturing
6500 Nita Way Baytown, TX	800,405 SF	Capital Development Partners	Tesla	Manufacturing
10591 Red Bluff Rd Pasadena, TX	643,118 SF	AEW Capital Manage- ment	Spike Electric	Energy

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