



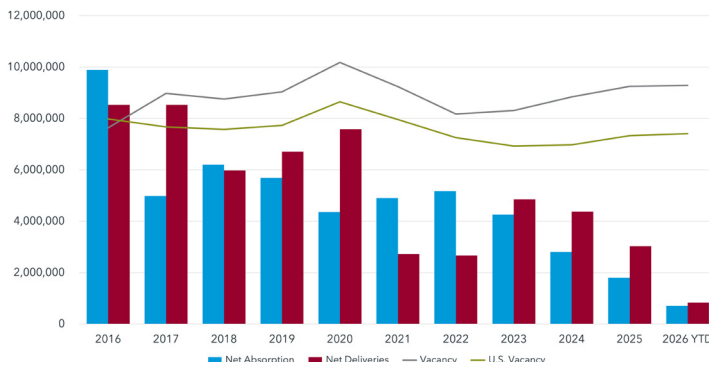
RETAIL MARKET OVERVIEW

MARY DOETTERL, *Research Director*

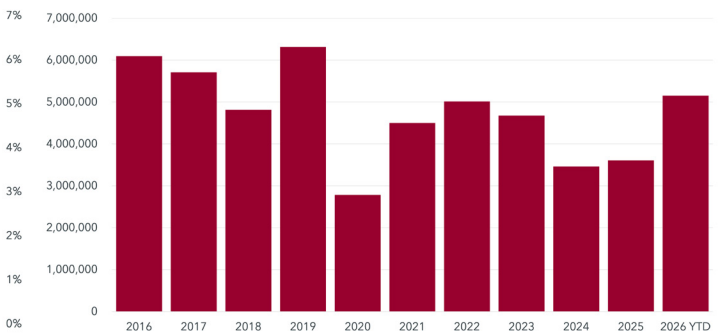
Retail conditions remained steady through Q3 2026, even as 12-month net absorption moderated to approximately 1.1 million square feet from 1.5 million square feet in Q2 2026. Vacancy held steady at 5.4%, while average NNN asking rents edged down to \$24.96 per square foot annually. The construction pipeline increased to 5.2 million square feet, up from 4.5 million square feet in Q2 and 3.2 million square feet one year earlier. Sales pricing remained at \$255 per square foot with cap rates unchanged at 7.3%. Notable activity included the 1.9-million-square-foot Greenspoint Mall sale and Home Depot's 134,808-square-foot lease in Northwest submarket.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ 12 Mo. Net Absorption SF	1,143,516	1,531,177	1,699,043	1,800,021	1,987,170
◀▶ Vacancy Rate	5.40%	5.40%	5.50%	5.40%	5.30%
▼ Avg NNN Asking Rate PSF	\$24.96	\$25.04	\$25.05	\$24.90	\$24.70
◀▶ Sale Price PSF	\$255.00	\$255.00	\$258.00	\$254.00	\$248.00
◀▶ Cap Rate	7.30%	7.30%	7.30%	7.30%	7.40%
▲ Under Construction SF	5,152,254	4,482,937	4,808,859	3,605,974	3,185,175
▼ Inventory SF	26,666,954	26,863,838	26,139,139	25,928,907	25,750,505

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
12300 North Freeway Houston, TX	1,897,236 SF	Undisclosed	Lincoln Property Company New York Life Investments Triyar Realty Group	Multi-Tenant
2300-2480 South Highway 6 Houston, TX	262,000 SF	Undisclosed	Dhanani Private Equity Group Wu Properties	Multi-Tenant
12900-12974 Willowchase Drive Houston, TX	231,126 SF	Undisclosed	SSS Telephone Square LLC Wu Properties	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
22020 West Road Cypress, TX	134,808 SF	Landmark Industries	The Home Depot	Retailer
10739-10777 N North Freeway Houston, TX	45,000 SF	Hass Holdings, LLC	Various Tenants	Retailer
500 Baybrook Mall Friendswood, TX	42,000 SF	Nuveen	Various Tenants	Retailer

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