Industrial Market Report

Houston - TX USA

PREPARED BY

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Principal

INDUSTRIAL MARKET REPORT

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
20.2M	13.1M	7.1%	2.3%

Vacancy in Houston's industrial sector has risen steadily over the past year, as new supply outpaced demand for four consecutive quarters, reaching 7.1% in the first quarter of 2026, roughly 100 basis points above the 10-year average. Even so, conditions appear to be stabilizing, and vacancies are not expected to climb much further.

A widening performance gap between older and newer facilities has become one of the market's defining trends. Leasing activity remains more than 60% above pre-pandemic norms and is strongest among large-format users, particularly national retailers and manufacturers seeking modern, high-efficiency space to support expansion and supply chain needs. Smaller manufacturers and distributors, facing heightened economic uncertainty and shifting trade dynamics, have adopted a more cautious approach. Tenant brokers report that the rent spread between aging assets and newly built bulk space has narrowed, incentivizing many occupiers to upgrade. Consolidations and space reductions are accelerating a flight-to-quality, leaving older buildings more vulnerable to elevated vacancy.

Construction starts surged to a three-year high in 2025, driven largely by speculative development. Roughly 29.2 million SF is underway, 75% of which remains available for lease, with much of the pipeline concentrated in the big-box segment. Over the past five years, Houston's inventory of logistics properties 100,000 SF and larger has expanded by more than 30%. Availability is especially elevated in the southeast submarket near the Port of Houston, reflecting a steady influx of new deliveries.

Annual asking rent growth now stands at 2.3%, supported by premium pricing in newly delivered projects, according to local brokers. However, quarterly rent growth recently dipped to -1.1% and concessions have become more common. Tenants seeking spaces larger than 100,000 SF are typically securing four to six months of free rent on five-year terms, compared with three months just a few years ago. Small-bay properties are expected to continue outperforming: availability is tight, construction activity is minimal, and high-quality, move-in-ready space remains scarce. Brokers expect landlords to increase spending on tenant improvement packages in older buildings as competition intensifies and owners work harder to keep these properties competitive.

Over the long term, Houston's industrial fundamentals remain solid, supported by rapid population growth and the metro's expanding role as both a regional and global distribution hub. Houston added 470,000 residents over the past three years, one of the largest gains nationwide.

In the near term, however, risks tilt to the downside. Additional supply is poised to place upward pressure on vacancy, while volatile import activity and potential trade disruptions may temper demand. Inflationary effects from tariffs, combined with declining real household incomes, could slow consumer spending and reduce inventory levels. A mild recession could potentially trigger the first industrial rent decline since 2010, extending the sector's recovery timeline.

Overview

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	670,239,167	7.7%	$8.74	10.8%	2,822,068	1,378,456	26,812,077
Specialized Industrial	134,398,801	2.7%	$10.76	4.6%	(229,859)	20,000	1,744,604
Flex	60,837,873	10.8%	$13.23	11.5%	(141,039)	70,326	663,164
Market	**865,475,841**	**7.1%**	**$9.36**	**9.9%**	**2,451,170**	**1,468,782**	**29,219,845**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.6% (YOY)	6.1%	7.7%	8.6%	2004 Q1	4.0%	1999 Q1
Net Absorption SF	13.1M	13,306,136	20,518,961	43,874,062	2022 Q2	2,995,798	1999 Q4
Deliveries SF	20.2M	16,153,892	24,373,926	37,249,817	2023 Q4	4,880,724	2011 Q1
Market Asking Rent Growth	2.3%	2.6%	2.4%	9.6%	2000 Q2	-1.6%	2004 Q1
Sales Volume	$2.2B	$749.6M	N/A	$3.3B	2022 Q1	$131.3M	1999 Q4

Industrial tenants remain active in Houston. When including CoStar's nowcast, total leasing activity was more than 51 million SF in 2025, which was 15% above the previous year and more than 60% above the 2015-2019 annual average.

Nevertheless, like national trends, net absorption has slowed from the record post-pandemic demand surge. Total net absorption in Houston in 2025 amounted to less than 11 million SF, the lowest annual tally since 2012. Meanwhile, developers added almost 20 million SF of net new space, causing a supply/demand imbalance.

Much of this absorption was driven by a range of 500,000-plus-SF move-ins in newly built properties by tenants tied to manufacturing, like Inventec, Panelmatic, and Tesla. Large logistics users have shown a preference for newer buildings, often at the expense of older ones. These modern facilities often have the ceiling heights and power capacities that many large users need. By year built, the divergence is clear: annual absorption for properties larger than 100,000 SF and built since 2023 totaled 9.8 million SF, while comparable assets built before 2000 recorded negative absorption of 1.6 million SF.

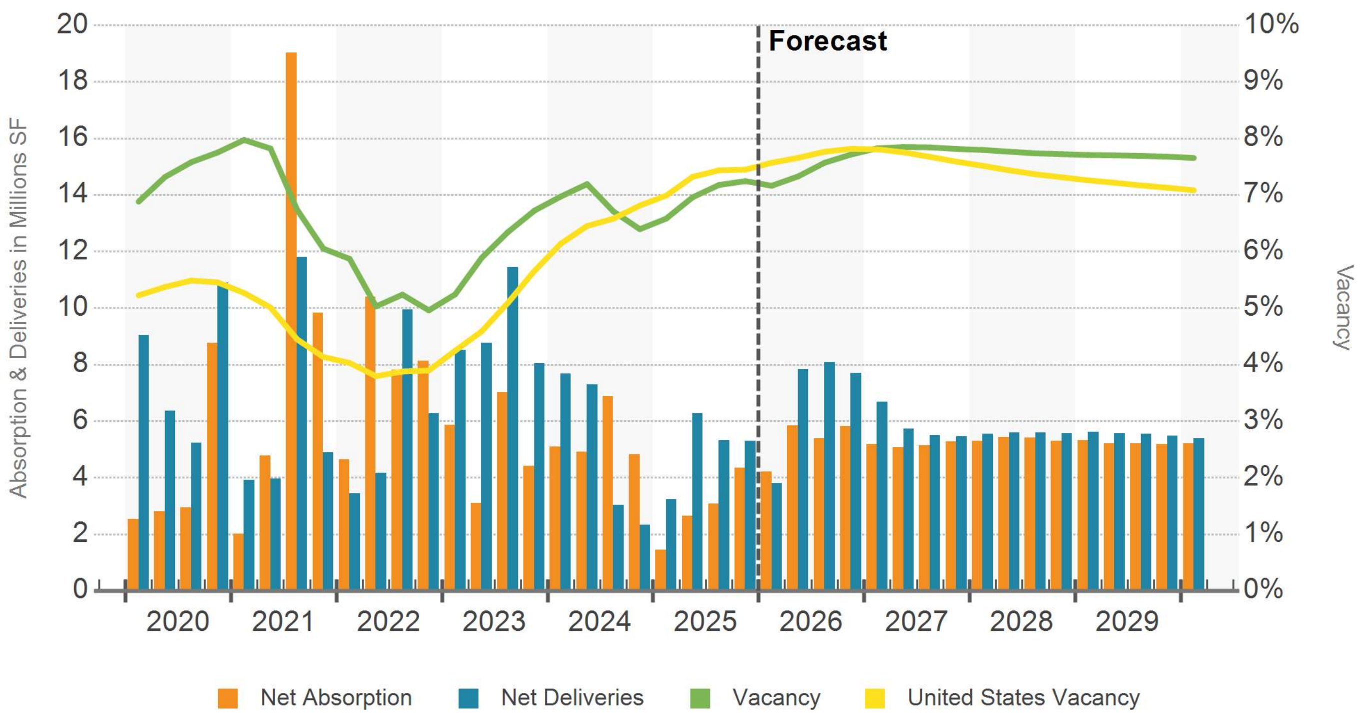
Another factor driving this flight to quality is the sharp rise in rents in recent years. Brokers note that as rents have surged, the gap between older and newer properties has narrowed, prompting tenants to upgrade to higher-quality space. In 2025, Houston tenants vacated approximately 25.6 million SF of industrial space, which marks the highest annual total on record.

Geographically, vacancies are highest in submarkets like Southwest Far, above 10%. Vacancy rates among properties built since 2023 and 100,000 SF or larger are around 50% compared to the market average of 30% due to the sheer volume of speculative development there in recent years. They fall drastically in densely populated areas where land availability is rare, keeping the pace of additional development limited. For example, in the North Inner Loop, the vacancy rate is less than 3%.

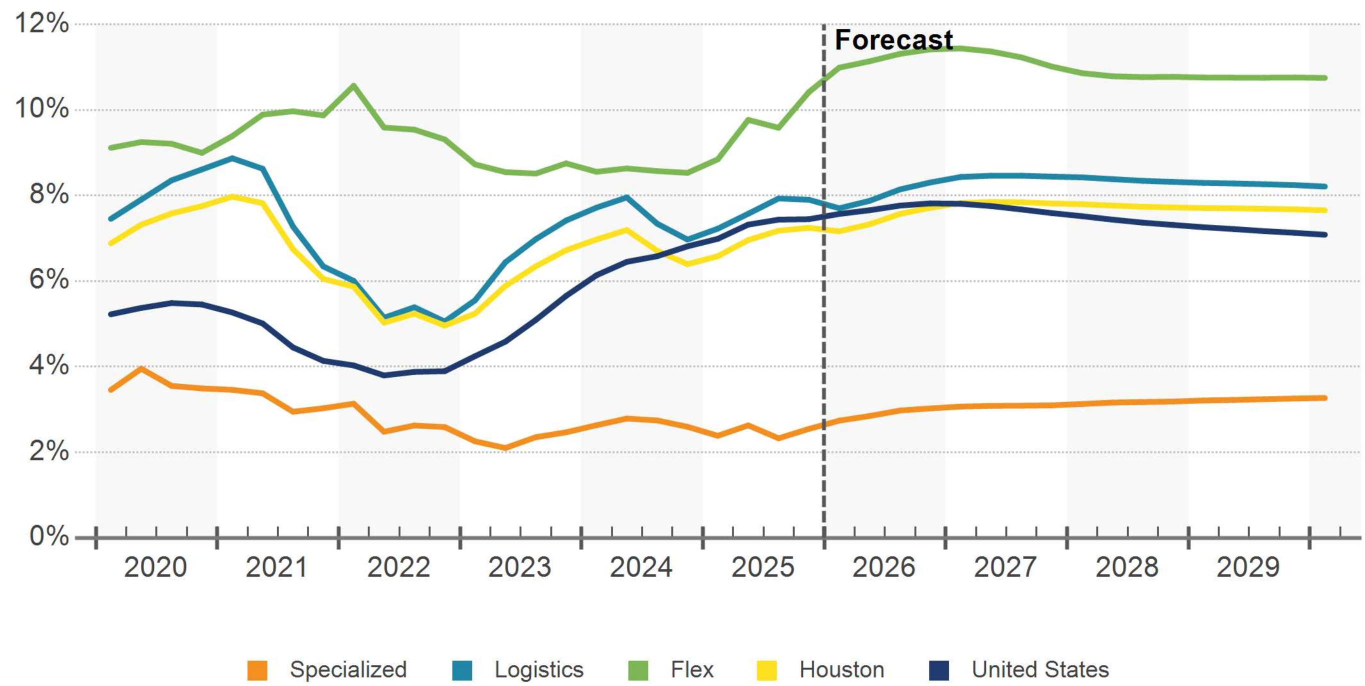
By building size, vacancies in buildings smaller than 25,000 SF, where construction remains minimal, are at 5%. At 5.7 and 5.6, respectively, the median months on market for industrial space 5,000 to 10,000 SF and 10,000 to 25,000 SF leased so far in 2025 were both below 2019 levels and below the market average of 6.2 months. In areas where land availability is rare, vacancies are often even lower. For example, vacancies for small-bay properties within a 10-minute rush hour drive to Hobby Airport are just 3%.

In the near term, the substantial amount of unleased space in the construction pipeline may place modest upward pressure on vacancy, potentially adding around 30 basis points by mid-2027. The balance of risks to the forecast is tilted to the downside due to the prospects of escalating tariffs at home and abroad, which would keep retailers from expanding distribution networks, and the prospect of slowing economic growth. Local tenant reps have noted that tenants seem more cautious, and potential deals are taking longer to close.

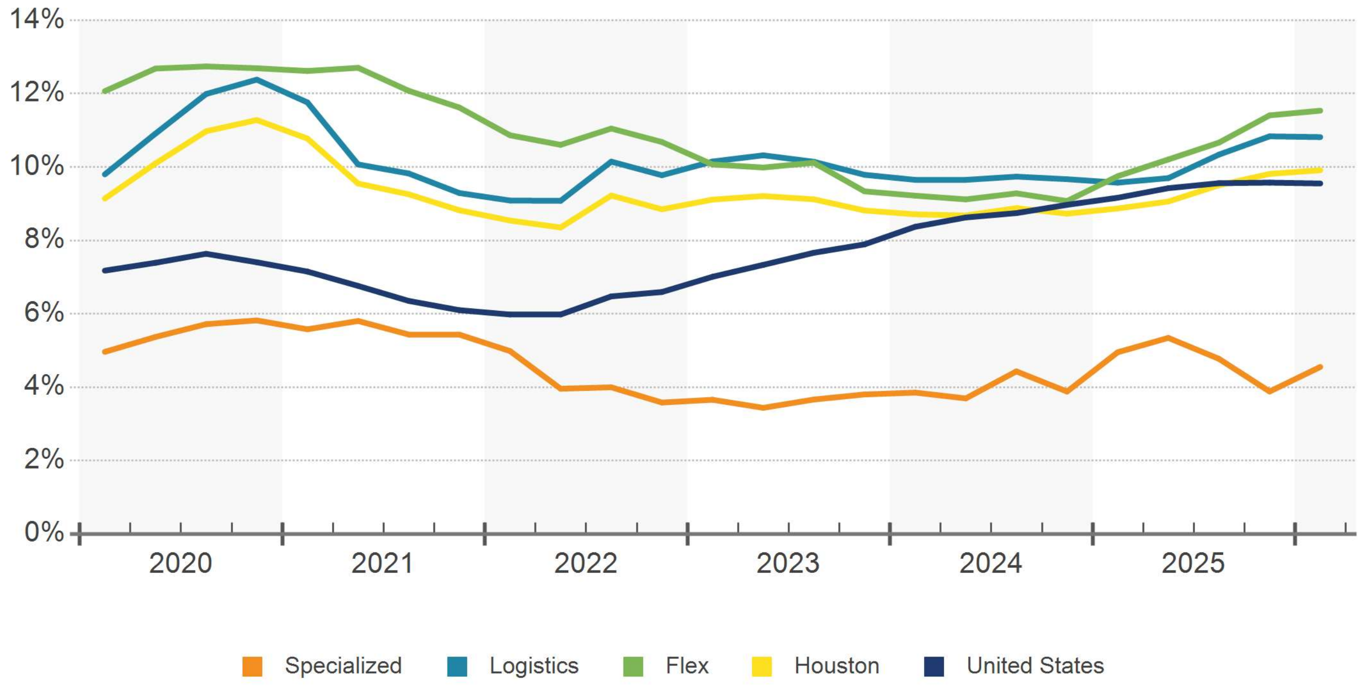
NET ABSORPTION, NET DELIVERIES & VACANCY



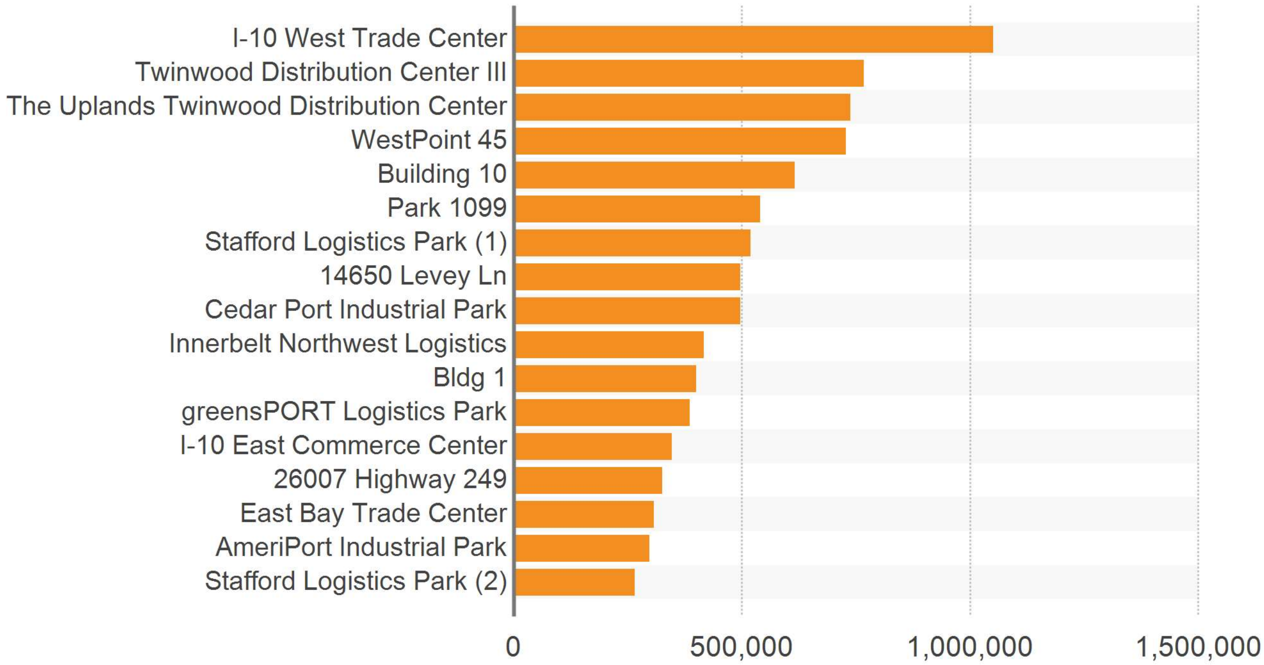
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
I-10 West Trade Center	Sugar Land Ind	1,051,549	0	0	0	0	0	1,051,549
Twinwood Distribution Center III	Sugar Land Ind	767,520	0	767,520	0	0	0	767,520
The Uplands Twinwood Distribut···	Sugar Land Ind	737,632	0	384,608	0	0	0	737,632
WestPoint 45	North Fwy/Tomball P···	728,080	0	728,080	0	0	0	728,080
Building 10	Northwest Outliers Ind	616,463	0	0	0	0	0	616,463
Park 1099	Northwest Outliers Ind	757,655	0	0	0	0	0	540,000
Stafford Logistics Park (1)	Hwy 59/Hwy 90 (Alt)···	519,082	0	0	0	0	0	519,082
14650 Levey Ln	South Hwy 35 Ind	496,560	0	0	0	0	0	496,560
Cedar Port Industrial Park	East-Southeast Far Ind	496,421	0	0	0	0	0	496,421
Innerbelt Northwest Logistics	Hwy 290/Tomball Pk···	417,360	0	417,360	0	0	0	417,360
Bldg 1	East-Southeast Far Ind	1,027,490	627,130	400,360	0	0	0	400,360
greensPORT Logistics Park	East I-10 Outer Loop···	386,001	0	0	0	0	0	386,001
I-10 East Commerce Center	East-Southeast Far Ind	609,000	262,363	0	0	0	0	346,637
26007 Highway 249	Northwest Hwy 6 Ind	325,219	0	0	0	0	0	325,219
East Bay Trade Center	East-Southeast Far Ind	307,595	0	0	0	0	0	307,595
AmeriPort Industrial Park	East-Southeast Far Ind	298,200	0	0	0	0	0	298,200
Stafford Logistics Park (2)	Hwy 59/Hwy 90 (Alt)···	266,056	0	0	0	0	0	266,056
Subtotal Primary Competitors		**9,807,883**	**889,493**	**2,697,928**	**0**	**0**	**0**	**8,700,735**
Remaining Houston Market		855,667,958	60,712,011	(246,758)	0	0	0	4,448,008
Total Houston Market		**865,475,841**	**61,601,504**	**2,451,170**	**0**	**0**	**0**	**13,148,743**

AIM HIGH REALTY

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
31270 Kingsland Blvd	Sugar Land	1,051,549	Q3 25	Pepsi	Cresa	CBRE
111 Empire Blvd *	Northwest Outliers	1,039,060	Q1 25	Tesla	CBRE	Stream Realty Partners···
410 West Rd	North Fwy/Tomball Pky	728,080	Q3 25	Panelmatic	Colliers	JLL
1401 N Rankin Rd	North Hardy Toll Road	656,658	Q3 25	Foxconn	Newmark	Prologis, Inc.;Stream R···
16801 FM 2354 Rd	East-Southeast Far	627,130	Q1 26	-	-	Lee & Associates
103 Empire Blvd	Northwest Outliers	616,463	Q1 25	Tesla	CBRE	Stream Realty Partners···
10433 Ella Blvd *	North Fwy/Tomball Pky	601,426	Q4 25	Emser Tile	JLL	Transwestern Real Est···
23623 Colonial Pky	Northwest Outliers	540,000	Q3 25	Inventec	Newmark	Cushman & Wakefield
13650 Pike Rd	Hwy 59/Hwy 90 (Alt)	519,082	Q2 25	JD Logistics	Colliers	JLL
30815 Kingsland Blvd	Sugar Land	503,765	Q1 26	-	-	CBRE
14650 Levey Ln	South Hwy 35	496,560	Q3 25	Creative Innovation	USWHSE INC	Cushman & Wakefield
4407 E Grand Pky S	East-Southeast Far	496,421	Q1 25	Constellation Beverage	-	Partners
6401 N Eldridge Pky	West Outer Loop	458,019	Q4 25	ProEnergy Services	Avison Young	KBC Advisors;Welcom···
18239 Aldine Westfield Rd	North Hardy Toll Road	435,680	Q4 25	Modular Power Solutions	Stream Realty Partn···	Lincoln Property Comp···
8330 Sweetwater Blvd	North Outer Loop	435,541	Q4 25	The UPS Store	-	-
20003 Old Mueschke Rd	Northwest Hwy 6	425,360	Q4 25	SEG Manufacturing, Inc.	Colliers	JLL
5300 E. McKinney Road	East-Southeast Far	420,510	Q3 25	Supply Chain Manageme···	Colliers	Partners
8228 Houston Ave	Hwy 290/Tomball Pky	417,360	Q2 25	Foxconn	-	Transwestern Real Est···
18501 Mound Rd	Northwest Outliers	407,302	Q4 25	Enchanted Rock	-	Colliers;Prologis, Inc.
16801 FM 2354 Rd	East-Southeast Far	404,359	Q1 26	Port Jersey Logistics	Growe, LLC	Lee & Associates
S Sam Houston Pky W	Hwy 59/Hwy 90 (Alt)	403,832	Q3 25	Amazon	KBC Advisors	Cushman & Wakefield
1823 Haden Rd	East I-10 Outer Loop	386,001	Q4 25	The Newtron Group	-	-
1823 Haden Rd	East I-10 Outer Loop	386,001	Q4 25	Triad Electric & Controls	KW Commercial	Cushman & Wakefield
2062 Woods Rd	Sugar Land	384,608	Q4 25	-	-	-
2062 Woods Rd	Sugar Land	353,024	Q2 25	JW Fulfillment Inc.	-	EQT Real Estate
11249 I-10 E	East-Southeast Far	346,637	Q2 25	SBM Offshore	-	CBRE
26007 Highway 249	Northwest Hwy 6	325,219	Q2 25	DPR Construction	Savills	Partners
9200 Farm to Market 1405	East-Southeast Far	321,440	Q3 25	-	Cushman & Wakefield	KBC Advisors
9100 FM 1405	East-Southeast Far	321,440	Q3 25	East Coast Warehouse &···	Cushman & Wakefield	KBC Advisors
18140 Kickapoo Rd *	Northwest Hwy 6	312,460	Q4 25	Daikin Comfort Technolog···	Stream Realty Partn···	Sealy & Company
12900 W Airport Blvd	Sugar Land	299,731	Q2 25	Texas Logistics and Fulfill···	CBRE	NAI Robert Lynn
11833 Cutten Rd	North Fwy/Tomball Pky	293,280	Q3 25	Discovery SCM	-	CBRE
4121 Malone Dr *	East-Southeast Far	274,417	Q2 25	Plastipak	-	JLL
13650 Pike Rd	Hwy 59/Hwy 90 (Alt)	266,056	Q4 25	-	-	JLL
9120 I-10	East-Southeast Far	248,262	Q3 25	De Well Group	-	JLL
2920 Airport Blvd	South Hwy 35	245,230	Q2 25	TAS	-	JLL
11500 Antoine	North Fwy/Tomball Pky	241,712	Q4 25	W-Industries	Colliers	CBRE
16730 Jacintoport Blvd	East I-10 Outer Loop	218,856	Q3 25	Mill Steel Company	-	-
1616 Gears Rd *	North Fwy/Tomball Pky	215,474	Q1 25	W-Industries	-	-
8251 Liberty Rd	Northeast Hwy 90	212,280	Q4 25	MS Warehousing	-	Cushman & Wakefield

*Renewal

AIM HIGH REALTY

CoStar™

Rent

Year-over-year, industrial rents in Houston are up 2.3% year-over-year, which is more than double the national average. While supply pressures have pushed concessions higher in certain segments, strong leasing activity has helped support asking rents.

There are headwinds, though. Quarterly rent growth has slowed to -1.1%, as heightened competition from newly delivered supply restrains gains. Local brokers note longer lead times from tours to lease signings as well as an uptick in tenant leverage on concessions like TI packages, free rent, and annual rent escalations. It has become more common for new leases on large logistics spaces to offer four to six months of free rent to secure occupancy with fixed annual increases of 3.5%. Similar deals in 2022 might have included zero to one month of free rent and 4% annual increases. For large bulk distribution space, TI is between $6-$12/SF. TI packages have increased by around 15% to 20%, commensurate with rising construction costs.

Brokers note that landlords are showing greater flexibility on lease terms. While five- to ten-year agreements remain the norm, one- to three-year terms for large occupiers, once rare, are becoming more common. Likewise, some landlords are offering shorter one-year renewals to help maintain occupancy levels.

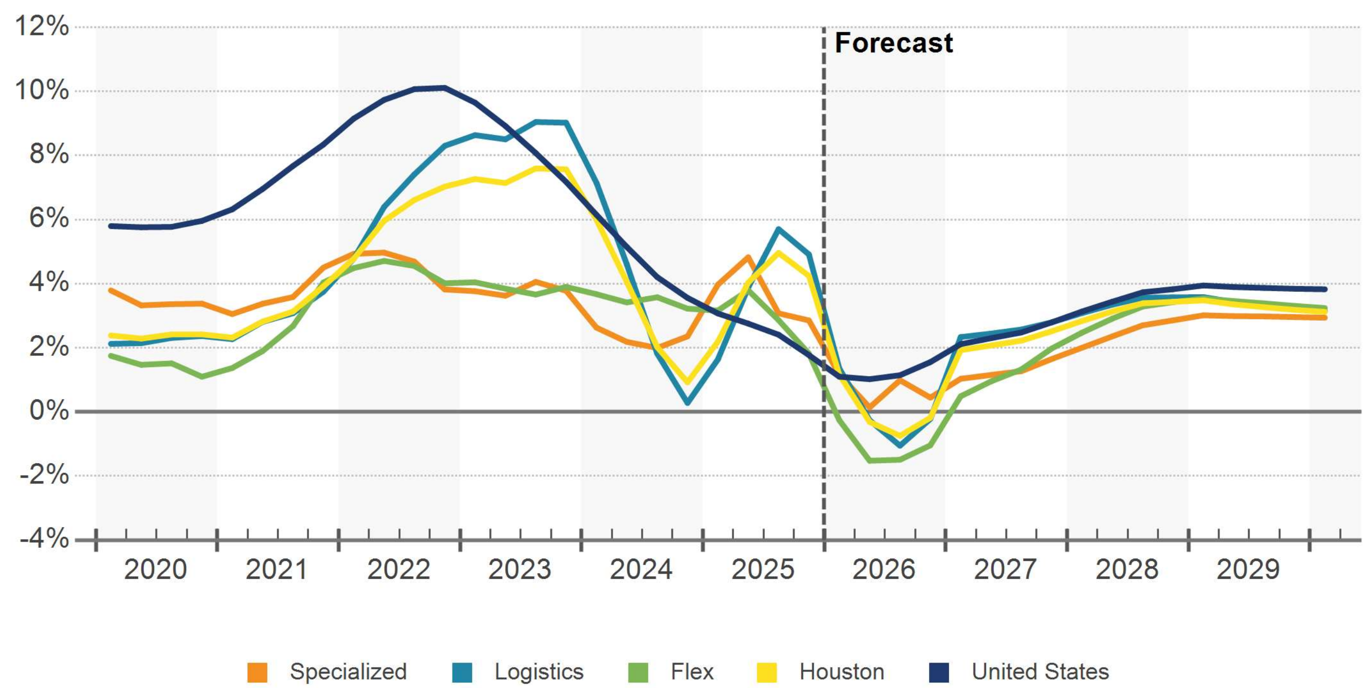
Big box spaces generally see rents in the $6.50/SF to $9/SF range, with older properties typically falling on the lower end of the spectrum. Last September, Go Fo leased the 170,000-SF Building A in the 2024-built Post Oak Logistics Park for $7.60/SF NNN on a five-year term.

Last October, a tenant sublet more than 100,000 SF of the 310,000-SF Building 1 on 8520 S Sam Houston Pky W for $6.60/SF NNN on a two-and-a-half-year term. The property was built in 2015.

Looking ahead, with still 29.2 million SF underway, most of which is available for lease, vacancies are expected to climb higher throughout 2026, and Houston's annual rent growth figure is anticipated to slow throughout next year. In the near term, rents for big-box logistics buildings 250,000 SF or larger are likely to remain soft, due to the high availability rate.

Long-term tenants continue to face sizable rent increases at renewal, driven by the sharp run-up in rents during 2021−23 and the steady gains recorded in the years leading up to the pandemic. Market asking rents remain about 27% higher than five years ago and more than 40% above levels from a decade ago.

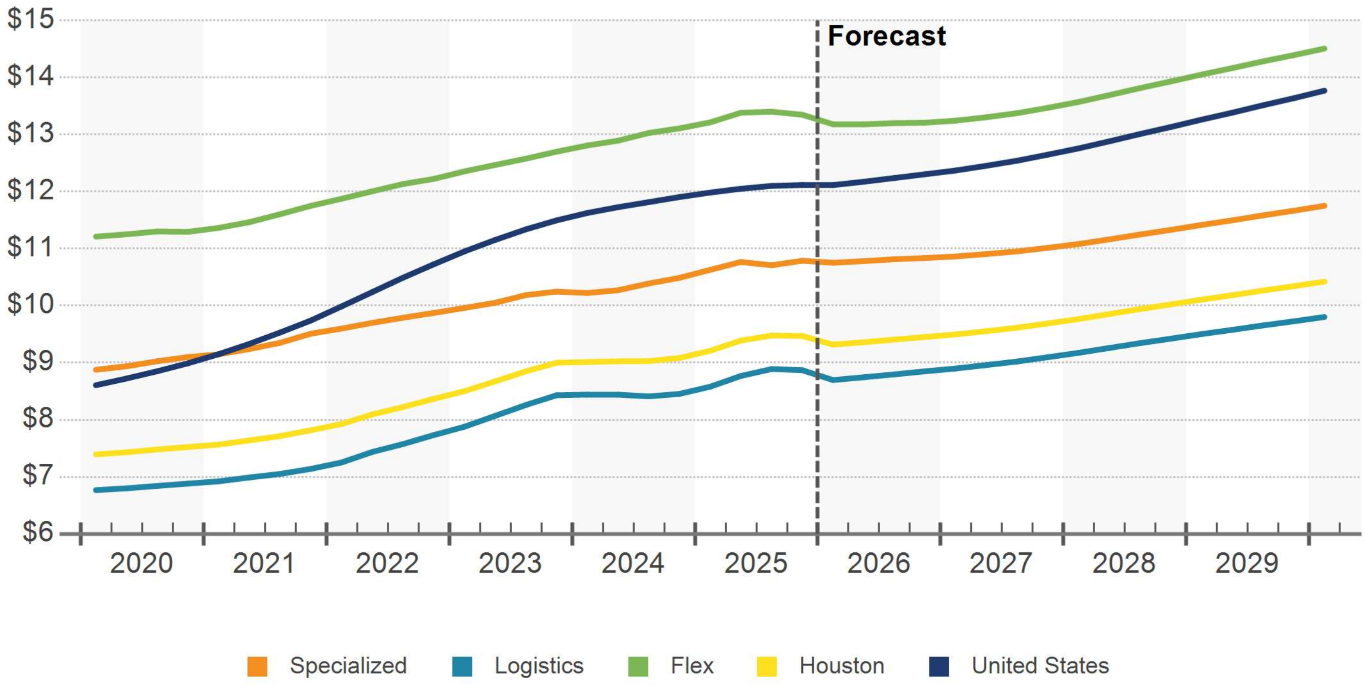
MARKET ASKING RENT GROWTH (YOY)



Rent

Houston Industrial

MARKET ASKING RENT PER SQUARE FEET



Developers in most major U.S. markets remain largely on the sidelines due to challenging financing conditions, but Houston continues to be an exception. More than 29 million SF of industrial space broke ground in 2025, roughly 50% above the prior year and the highest total since 2022. The current construction pipeline totals 29.2 million SF, placing Houston among the top two U.S. markets for active development, behind only Dallas−Fort Worth. Speculative building remains a major component of the pipeline, with only about 25% pre-leased. Local developers report limited pricing impact from tariffs, but cite aging infrastructure as a continued hurdle that slows project timelines.

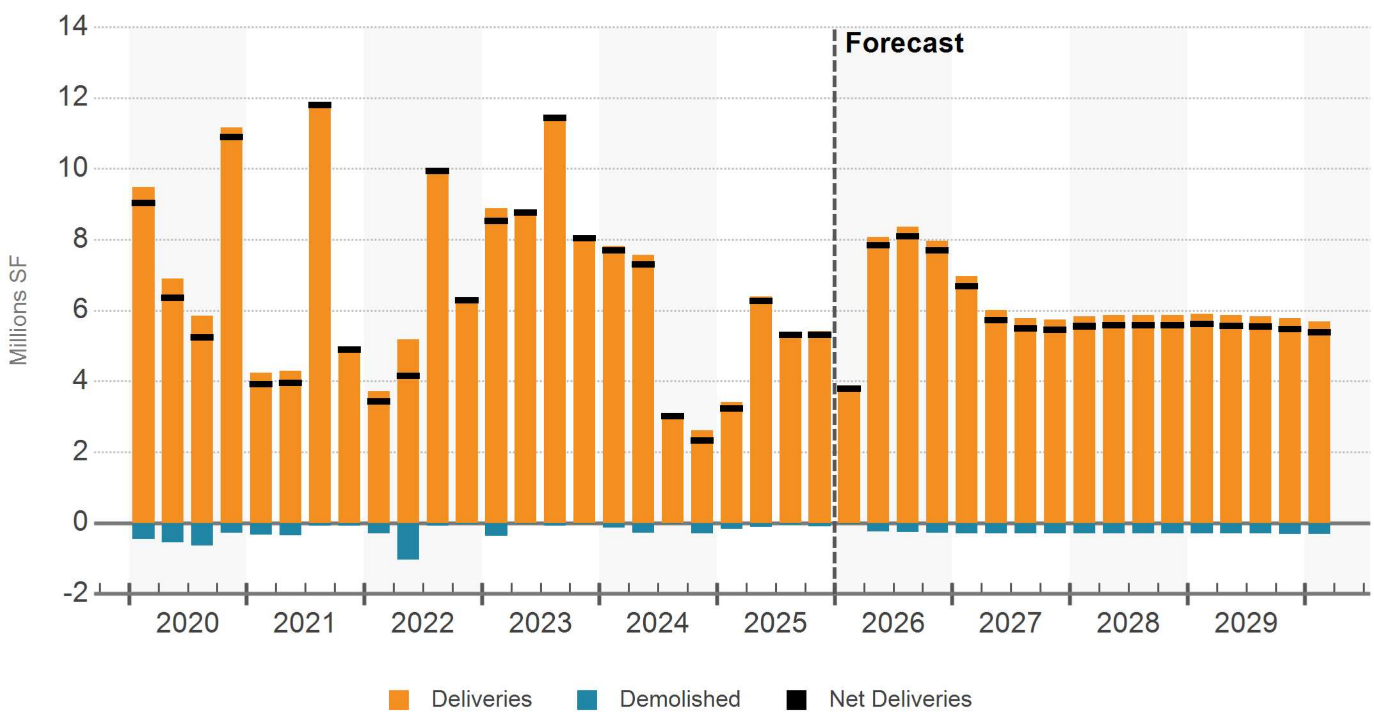
Supply-side pressure is most significant in the big-box segment, which accounts for the majority of recent deliveries. Vacant space in buildings 100,000 SF and larger now totals roughly 26 million SF, about 10 million SF more than in late 2019. Another 12 million SF of unleased big-box product is under construction. Brokers note that demand remains solid for smaller big-box buildings, while larger ones are sitting on the market longer. CoStar data reflects this trend: spaces above 250,000 SF now take about 10 months to lease, nearly double the turnaround time two years ago. Properties between 100,000 and 200,000 SF are taking around six months, versus four months previously.

Oversupply concerns are most pronounced in eastern submarkets such as Baytown and Mont Belvieu, where large-format buildings delivered since 2023 or currently underway have an availability rate approaching 50%, compared to the metro average of 38%. While these submarkets benefit from proximity to the Port of Houston, heavy construction volume has doubled their industrial inventory since 2019, leading to elevated vacancy.

Most construction remains focused on suburban locations with affordable land and strong access to labor and transportation. Properties near large blue-collar workforce pools are leasing quickly. For example, in December, a tenant pre-leased the 400,000-SF Building 5 at Prologis Legacy Point in Cypress ahead of its February completion. The Class A facility sits along Hwy. 290 near the Grand Parkway and offers 36-foot clear heights. Since 2022, nearly half of all newly delivered industrial space in Houston has featured clear heights of 36 feet or more.

Looking ahead, recent increases in groundbreakings will elevate deliveries over the next several years. The house view projects annual completions between 2026 and 2028 to average 22 million SF, about 45% above the 2015−2019 annual average of 15 million SF.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

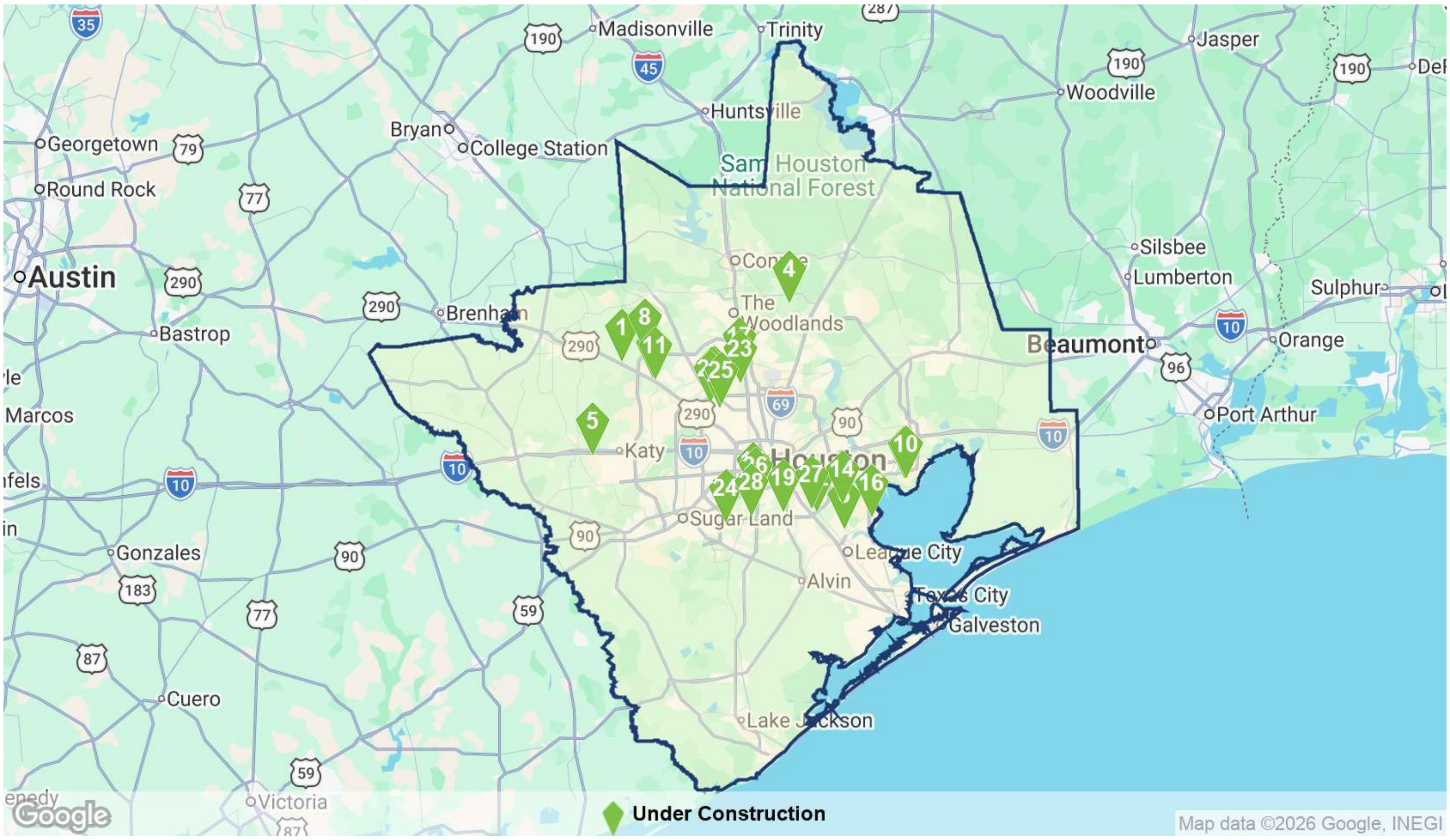
		Under Construction Inventory					Average Building Size		
No.	Submarket	Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	East-Southeast Far	71	6,401	1,854	29.0%	4	40,375	90,154	5
2	South Hwy 35	48	4,411	342	7.8%	9	25,238	91,897	4
3	Hwy 290/Tomball Pky	14	3,339	1,070	32.1%	3	42,576	238,499	2
4	Northwest Hwy 6	67	2,843	1,984	69.8%	1	26,786	42,425	8
5	North Fwy/Tomball Pky	78	2,812	425	15.1%	6	28,203	36,049	9
6	Northwest Outliers	7	1,770	468	26.4%	5	45,921	252,875	1
7	North Hardy Toll Road	19	1,442	187	13.0%	7	49,521	75,877	7
8	The Woodlands/Conroe	40	1,113	775	69.6%	2	20,204	27,824	10
9	Sugar Land	11	1,089	78	7.2%	10	55,795	99,040	3
10	Southwest Far	13	1,043	85	8.1%	8	34,362	80,216	6
	All Other	38	2,958	494	16.7%		31,653	77,829	
Totals		**406**	**29,220**	**7,762**	**26.6%**		**33,345**	**71,970**	

Under Construction Properties

Houston Industrial

Properties	Square Feet	Percent of Inventory	Preleased
406	28,960,241	3.6%	25.9%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**Grainger Distribution Cente** 17250 Roberts Rd	★★★★★	1,281,280	1	Oct 2024	Sep 2026	Hines Grainger
2	**Prologis Legacy Point - Buil** 000 Highway 290	★★★★☆	1,002,406	1	Feb 2026	Jan 2027	Prologis, Inc. Prologis, Inc.
3	**Building 5** 0 Bell Road	★★★★★	955,460	1	Jan 2026	Oct 2026	Transwestern Development Compan Transwestern Development Compan
4	**19685 Emerald Ln**	★★★★☆	566,000	1	Aug 2025	Jul 2026	- GCP Paper USA
5	**Building 5** 4014 Kingsland Ranch Dr	★★★★☆	504,370	1	Jul 2025	Mar 2026	Falcon Commercial Development Clarion Partners
6	**Texas A&M University Spac** 17475 Saturn Lane	★★★☆☆	440,000	2	Mar 2025	Nov 2026	- -
7	**Building 2** 8500 Houston Ave	★★★★★	428,800	1	Oct 2025	Oct 2026	Transwestern Development Compan Transwestern Development Compan

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	**Northwest 99 Business Parl** 20003 Old Mueschke Rd	★★★★☆	425,360	1	Jul 2025	Mar 2026	Clay Development & Construction Clay Development & Construction
9	**DC 9** 5300 E. McKinney Road	★★★★☆	420,510	1	Sep 2025	Apr 2026	- -
10	**TGS Cedar Port DC 10** 5400 E McKinney Rd	★★★★☆	420,510	1	Oct 2025	Apr 2026	- -
11	**Prologis Legacy Point - Buil** 18501 Mound Rd	★★★★☆	407,302	1	May 2025	Mar 2026	- -
12	**Building 3** SouthPort 45	★★★★☆	395,611	1	Nov 2025	Aug 2026	Lovett Industrial, LLC Lovett Industrial, LLC
13	**Building 2** 12258 Port Rd	★★★★☆	376,026	1	Apr 2023	May 2026	Angler Construction Packwell
14	**Baywood Logistics** 8920 Red Bluff Rd	★★★★★	374,297	1	Aug 2025	Sep 2026	Avera Companies -
15	**Phase II - Building E** 2304 Reed Rd	★★★★☆	371,263	1	Nov 2025	May 2026	Hines Hines
16	**Building 1** 12554 Port Rd	★★★★☆	348,342	1	Apr 2023	Sep 2026	Angler Construction Packwell
17	**Jackson Shaw** 15902 Ella Blvd	★★★☆☆	347,387	1	Sep 2025	Jul 2026	Jackson-Shaw Company -
18	**Building 2** 6000 McHard Rd	★★★★☆	343,332	1	Dec 2025	Jun 2026	- -
19	**Building 5** S Sam Houston Pky E	★★★★☆	342,667	1	Dec 2025	Jul 2026	Greystar Real Estate Partners Greystar Real Estate Partners
20	**Bldg 1** 8535 Fairbanks North Housto	★★★★★	321,475	1	Aug 2025	Jun 2026	Junction Commercial Real Estate Junction Commercial Real Estate
21	**Building H** 2920 Airport Blvd	★★★★☆	321,172	1	Sep 2025	Jun 2026	Carson Companies -
22	**Phase II - Building 6** Fleetwood Creek Way	★★★★☆	314,589	1	Nov 2025	Mar 2026	- Hillwood Development Corporation
23	**Building 2** 876 Rushcreek Dr	★★★★☆	308,535	1	Oct 2025	Jun 2026	- -
24	**Building 3** 6000 McHard Rd	★★★★☆	288,954	1	Dec 2025	Jun 2026	- -
25	**Constellation Rosslyn** 11892 N Houston Rosslyn Rd	★★★★☆	284,960	1	Apr 2025	Apr 2026	Constellation Real Estate Partners Constellation Real Estate Partners
26	**Building C** 2920 Airport Blvd	★★★★☆	284,612	1	Sep 2025	Aug 2026	Carson Companies Carson Companies
27	**Building 3** 12524 Conklin Ln	★★★★☆	278,858	1	May 2025	Apr 2026	Trammell Crow Company Trammell Crow Company
28	**Kirby District - Building 2** 11555 Spectrum Blvd	★★★☆☆	269,371	1	May 2025	Mar 2026	- Stream Realty Partners, LP

Houston's industrial investment market strengthened again in 2025, extending the rebound that began in 2024. More than 1,700 transactions closed last year, nearly 40% above 2024's total and the second-highest count on record, demonstrating continued investor resilience despite ongoing macroeconomic uncertainty.

Brokers report that bid-ask spreads have narrowed and debt availability has improved. Leverage is gradually rising, with banks active on stabilized assets at 55%–60% LTV for strong sponsors and credit tenants. Life companies are competing for high-quality opportunities, while debt funds and private credit lenders have become increasingly active over the past 12–18 months, targeting value-add, bridge, and higher-leverage deals.

Cap rates have stabilized, remaining elevated relative to a few years ago but no longer expanding. Yields for large, long-term income assets have even shown slight compression. Smaller properties continue to dominate the market: more than 80% of 2025 trades involved buildings 50,000 SF or smaller, as private investors and owner-users remain the most active buyers. One of the larger recent owner-user deals occurred in December, when King Slide USA purchased the 108,000-SF Building 2 in Union Crossing for $14.3 million, or $132/SF. The newly built, vacant property will support the company's expansion and is slated to open in June 2026.

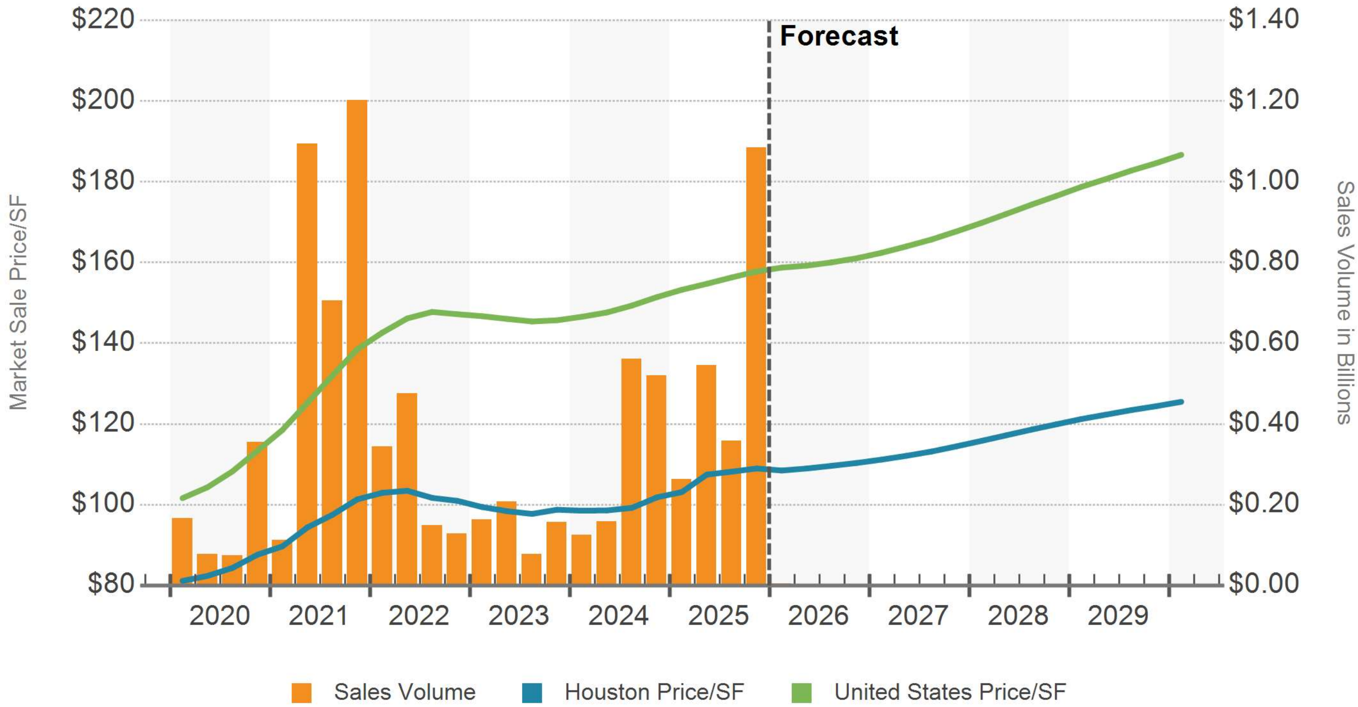
Institutional capital is also re-entering the market, likely as pressure to deploy funds increases. In December, Ares Management acquired the 1 million-SF NxNW Houston Class A Logistics Portfolio from Link Logistics Real Estate. The six-building portfolio, Central Green Corporate Center, North Houston Logistics Center Building G, and West Little York, features 26- to 36-foot clear heights and was 95% leased at sale.

Pricing trends vary by asset type. Logistics centers have seen the steepest corrections, with values now about 15% below 2022 peaks and cap rates in the 5.5%–6.2% range, up from the mid-4% range. General industrial assets have held up better due to shorter lease terms and quicker rent resets: values are roughly 10% below peak, with cap rates widening by about 100 bps.

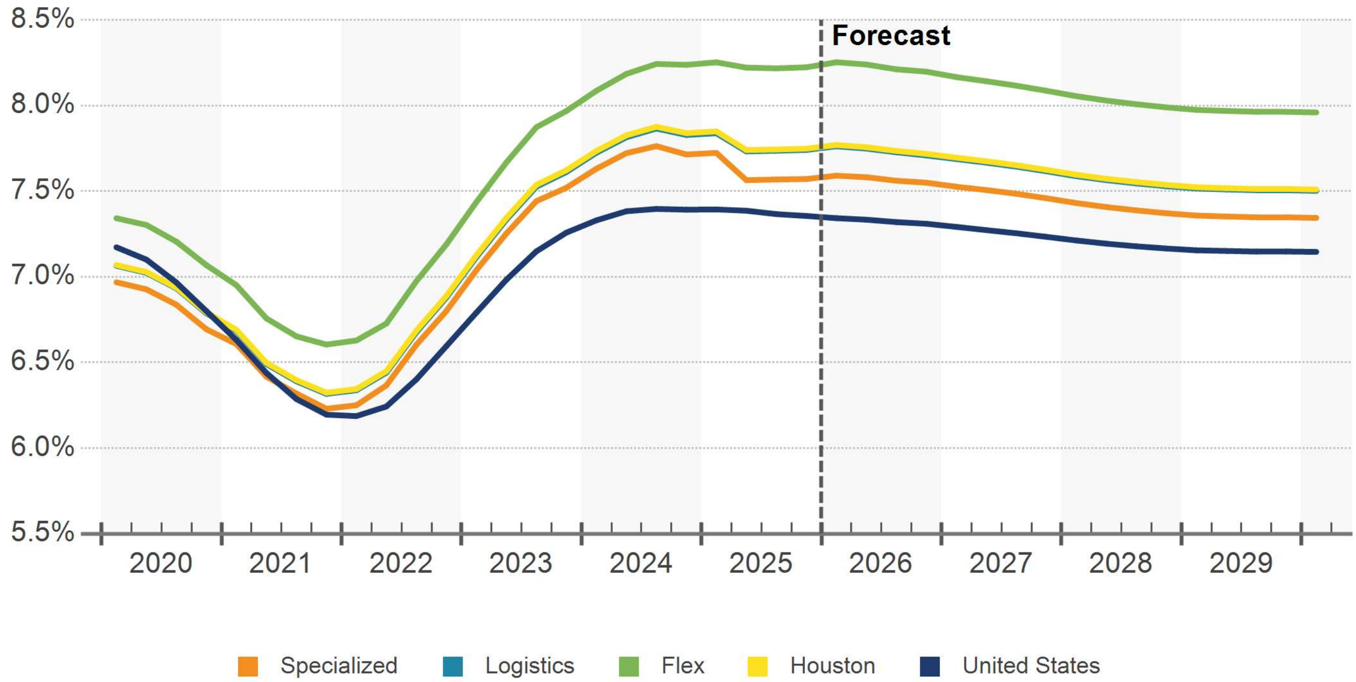
Despite significant development in recent years, few newly built assets have traded. Less than 15% of 2025 transactions involved properties delivered within the past five years. Investors are heavily targeting well-leased assets with below-market rents and near-term expirations. In January, Cabot Properties acquired the 370,000-SF Corporate Center Fannin for an undisclosed price. The center consists of two class A industrial properties, 100% leased, with a weighted-average lease term of 2.5 years and a 20% average market-to-market opportunity at expiration. In December, Granite REIT purchased the 1 million-SF Alamo Crossing Commerce Center for $121.5 million, or $116/SF, acquiring the 98%-leased property, four buildings with a weighted-average lease term of 3.3 years, at a 5.4% initial yield. Its location inside Beltway 8 and near Highway 290 positions it to benefit from the Northwest submarket's historically strong demand and mark-to-market upside.

Looking ahead, pricing is expected to remain broadly stable, with limited risk of sharp fluctuations. While tenant demand remains uneven, leasing activity above historical norms is helping offset softer net absorption. Additionally, roughly $530 million in industrial CMBS loans are set to mature between 2026 and 2027. With many assets carrying rents below market, a wide range of lenders is expected to pursue refinancing and new originations, boosting liquidity and supporting further price stabilization.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

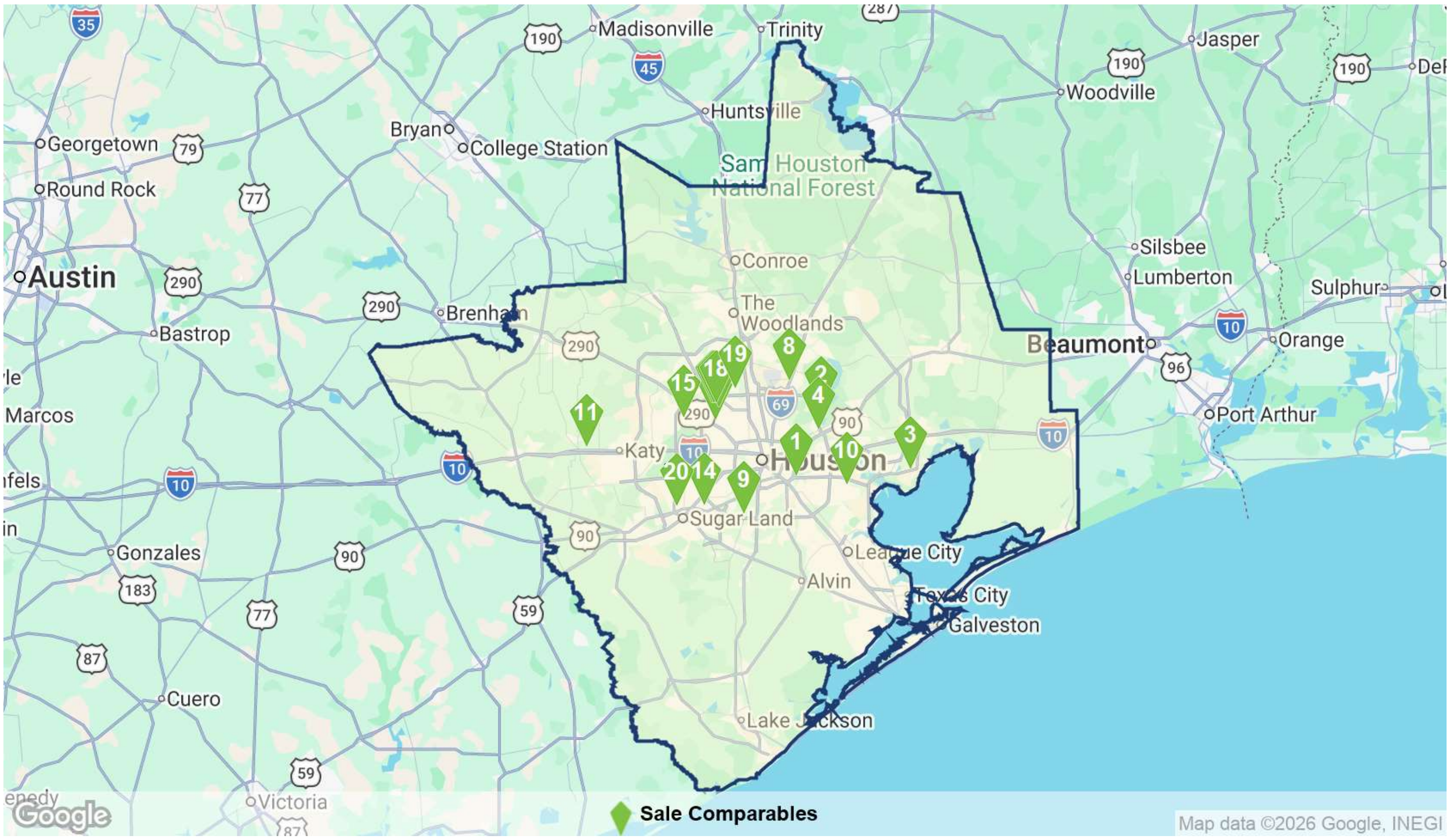


Sales Past 12 Months

Houston Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
1,789	**7.0%**	**$154**	**8.9%**

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$164,092	$9,139,977	$1,992,222	$372,347,676
Price/SF	$31	$154	$119	$990
Cap Rate	1.9%	7.0%	7.0%	12.1%
Time Since Sale in Months	0.0	5.8	5.7	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	900	34,447	11,655	1,400,000
Ceiling Height	9'	21'2"	20'	60'
Docks	0	6	0	196
Vacancy Rate At Sale	0%	8.9%	0%	100%
Year Built	1900	1992	1990	2027
Star Rating	★☆☆☆☆	★★☆☆☆ 2.4	★★☆☆☆	★★★★★

RECENT SIGNIFICANT SALES

		Property				Sale			
	Property Name - Address	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1	2000 Goodyear Dr	★★☆☆☆	-	375,934	0%	10/31/2025	$372,347,676	$990	-
2	Target Distribution 11750 Timber Forest Dr	★★★★☆	2023	1,400,000	0%	5/5/2025	$162,200,000	$116	-
3	6330 Nita Way	★★★★☆	2022	297,640	0%	3/16/2025	$108,000,000	$363	-
4	7500 Uvalde Rd	★★★★☆	2022	315,101	0%	4/3/2025	$90,000,000	$286	-
5	7909 Northcourt Rd	★★★☆☆	2001	643,804	0%	12/17/2025	$72,912,539	$113	-
6	Empire West 3 100 Empire Blvd	★★★★★	2021	750,775	0%	10/17/2025	$70,996,981	$95	-
7	Building 1 13650 Pike Rd	★★★★★	2025	519,082	0%	10/7/2025	$70,395,305	$136	-
8	7491 Rankin Rd	★★★★☆	2024	462,250	0%	9/15/2025	$47,485,000	$103	-
9	14200 Almeda Rd	★★★☆☆	1966	197,000	0%	12/22/2025	$46,222,917	$235	-
10	Victory Commerce Center 2851 E Pasadena Blvd	★★★★☆	2019	349,050	0%	7/1/2025	$44,084,928	$133	-
11	Empire West 1 32045 US Hwy 90 BUS	★★★★★	2021	163,144	0%	10/17/2025	$42,745,061	$262	-
12	Fairbanks Logistics Park 8702 Fairbanks N Houston	★★★★☆	2023	258,720	0%	5/6/2025	$39,478,783	$153	-
13	Fairbanks Logistics Park 8718 Fairbanks N Houston	★★★★☆	2023	287,470	0%	5/6/2025	$38,512,739	$134	-
14	Building 2 13650 Pike Rd	★★★★★	2025	266,056	0%	10/7/2025	$35,604,695	$134	-
15	Bldg G 6401 N Eldridge Pky	★★★☆☆	2000	458,019	0%	9/24/2025	$34,710,656	$76	-
16	Fairbanks Logistics Park 8710 Fairbanks N Houston	★★★★☆	2023	244,128	0%	5/6/2025	$34,629,118	$142	-
17	Building 3 11411 Tanyard Creek Dr	★★★★☆	2023	227,229	100%	10/24/2025	$31,404,936	$138	-
18	Fairbanks Logistics Park 8726 Fairbanks N Houston	★★★★☆	2023	221,719	0%	5/6/2025	$29,503,821	$133	-
19	1616 Gears Rd	★★☆☆☆	2009	215,474	0%	2/19/2025	$29,250,000	$136	7.2%
20	Imperial Sugar 198 Kempner St	★★★☆☆	1950	400,000	0%	6/18/2025	$25,827,984	$65	-

Located in Southeast Texas, the Houston metropolitan area is home to approximate 7.9 million people, making it the fifth-largest in the United States.

Houston consistently ranks among the fastest-growing metros in the country. Since 2010, the region has added more than 1.5 million residents, positioning it as the second-fastest growing metro in the U.S., just behind Dallas−Fort Worth. This growth is fueled by the area's affordability, warm climate, low taxes, pro-business environment, cultural diversity, and vibrant lifestyle, making Houston a top destination for newcomers.

Historically, the oil and gas industry has been a cornerstone of Houston's economy, but the region has diversified significantly. Today, healthcare, biomedical research, aerospace, as supported by NASA, and the Port of Houston are also major employment drivers. Houston is home to the world's largest medical center, and its port ranks among the busiest in the nation by tonnage.

Generous state incentives, such as no corporate or personal income tax, have attracted manufacturing and distribution hubs. Combined with highly rated public schools and comparatively affordable housing, Houston's suburbs have become prime destinations for families and businesses alike.

Commercial Real Estate Tapestry

Houston is a diverse commercial real estate market with a relatively new inventory of multifamily and retail properties concentrated in suburban areas. Although retail construction has been limited nationwide this past decade, developers have focused on building new retail properties near housing developments in rapidly growing suburban areas.

Industrial properties are overrepresented in the market, comprising 35% of the market's inventory but only 25% of its total asset value. The metro has experienced a surge in big-box warehouse development, fueled by port expansion, strong population growth, and its strategic location. Houston offers quick access to Mexico and benefits from two major airports, extensive interstate networks, and robust rail connections.

Although evolving office work habits and capital market conditions have pressured valuations, particularly among older properties, newer trophy inventory has helped keep asset values in the market high. Houston ranks as the 7th largest office market by square footage, while office property values rank 10th in the nation.

The hospitality sector here is relatively small, with hotel properties concentrated mainly in the Central Business District, serving business travelers, and in the Galleria/Uptown area, which caters to luxury shoppers and international visitors.

Population Trends

Population growth in the Houston metropolitan area has been consistently strong this past decade. With a population of 7.9 million, the region ranks fifth in terms of total population and seventh in terms of annual population growth. The population here is younger, though slightly less educated than the national average.

Houston's population growth is driven not just by net domestic migration, or movement from other parts of the country, but also by international migration and natural increases, births exceeding deaths.

Houston has a larger average household size than the U.S., reflecting its high immigrant share and multigenerational households.

Many newcomers arrive from higher-cost housing markets, with California, Illinois, and Florida consistently among the top sources of inbound migration.

Within the region, suburban expansion has been dramatic. While the metro grew 1.6% over the past year, cities like Fulshear and Manvel surged by 35% and 10%, respectively. International immigration also contributed to Harris County becoming the fastest-growing county in the U.S. last year.

Labor Market

Houston is known as the energy capital of the world, yet its economy is highly diversified, encompassing healthcare, aerospace, logistics, petrochemicals, and professional services. Major employers include ExxonMobil, Chevron, Shell, ConocoPhillips, MD Anderson, Texas Medical Center institutions, NASA's Johnson Space Center, Sysco, and Amazon fulfillment centers. The city ranks third nationally in terms of Fortune 500

headquarters, with 26 companies based here, trailing only New York and Chicago.

Houston's economy shows mixed performance. The region is emerging as a hub for biotechnology and life sciences, supported by medical research, device manufacturing, and health innovation. Clean energy and hydrogen investments are driving new projects, while healthcare remains strong thanks to the Texas Medical Center's expansion. The logistics and industrial sectors thrive on population growth, e-commerce, and port activity, although traditional manufacturing and energy services lag behind. Unemployment is slightly below the U.S. average, reflecting solid job creation. Recent announcements, including Eli Lilly's $6.5 billion biomanufacturing plant and Apple's AI server facility, underscore Houston's momentum.

The metro continues to benefit from its diverse economic base, strong population growth, and business-friendly policies, positioning the region for sustained expansion.

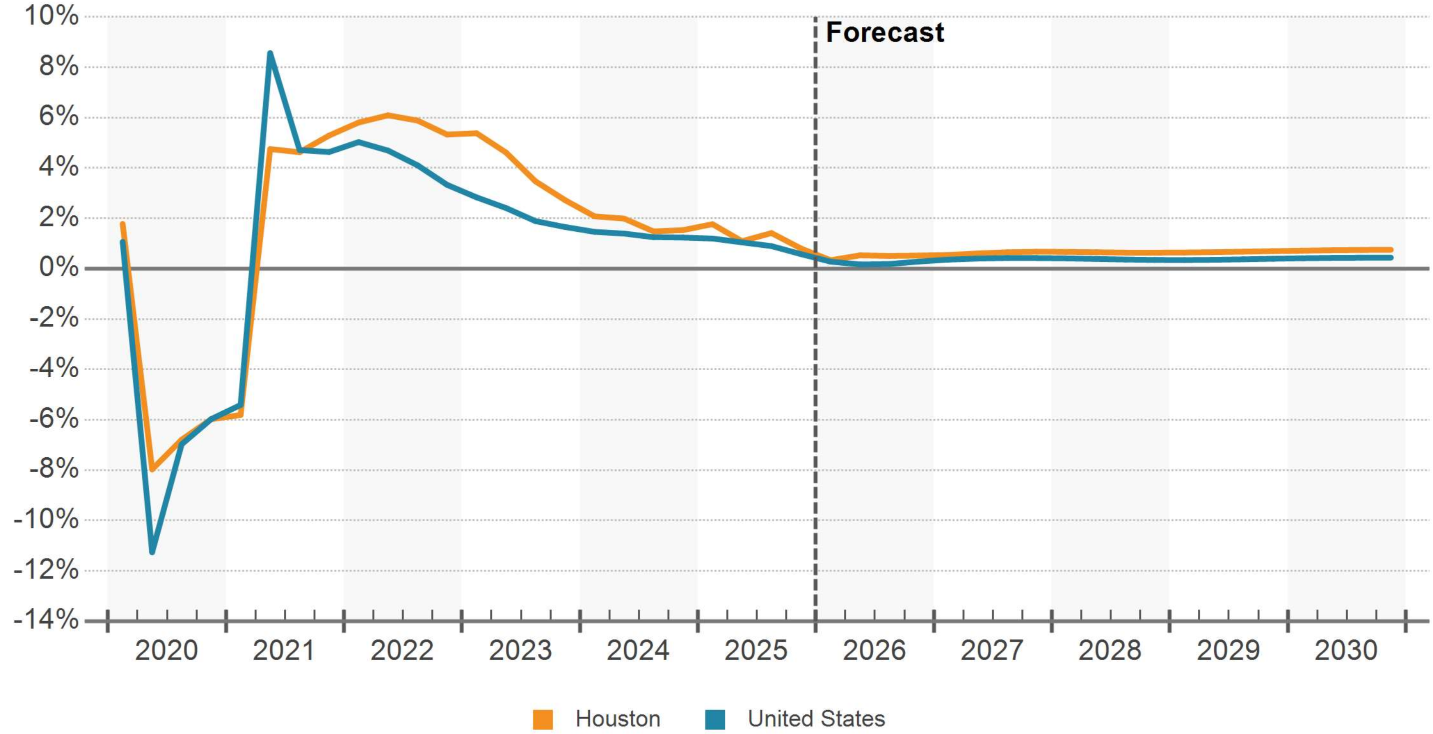
HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	**Jobs**	**LQ**	**Market**	**US**	**Market**	**US**	**Market**	**US**
Manufacturing	240	0.9	-0.42%	-0.29%	0.41%	0.31%	0.23%	0.21%
Trade, Transportation and Utilities	707	1.1	0.72%	0.04%	1.54%	0.76%	0.47%	0.22%
Retail Trade	326	1.0	0.82%	0.33%	0.76%	-0.05%	0.35%	0.15%
Financial Activities	188	0.9	1.13%	0.05%	1.99%	1.18%	0.49%	0.24%
Government	456	0.9	-0.42%	-0.46%	1.65%	0.59%	0.82%	0.32%
Natural Resources, Mining and Construction	320	1.6	0.72%	-0.10%	0.26%	1.93%	0.16%	0.54%
Education and Health Services	473	0.8	2.30%	2.54%	2.50%	2.16%	0.92%	0.41%
Professional and Business Services	571	1.2	-0.30%	-0.34%	1.74%	1.17%	0.80%	0.48%
Information	30	0.5	-0.51%	0.05%	-0.38%	0.60%	-0.03%	0.19%
Leisure and Hospitality	371	1.0	0.69%	0.80%	1.92%	1.02%	1.12%	0.83%
Other Services	135	1.0	0.73%	0.83%	2.27%	0.70%	0.64%	0.18%
Total Employment	**3,491**	**1.0**	**0.54%**	**0.41%**	**1.57%**	**1.09%**	**0.66%**	**0.39%**

Source: Oxford Economics
LQ = Location Quotient

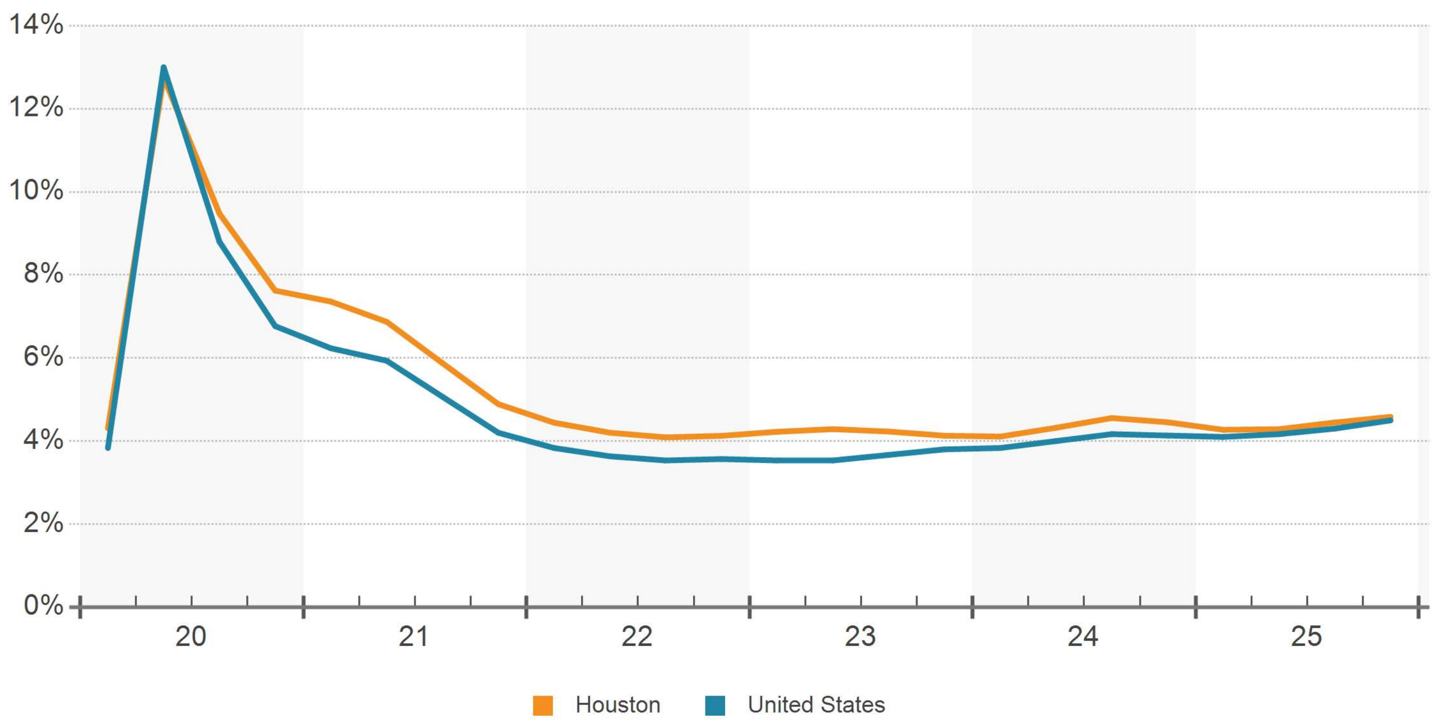
Economy

JOB GROWTH (YOY)

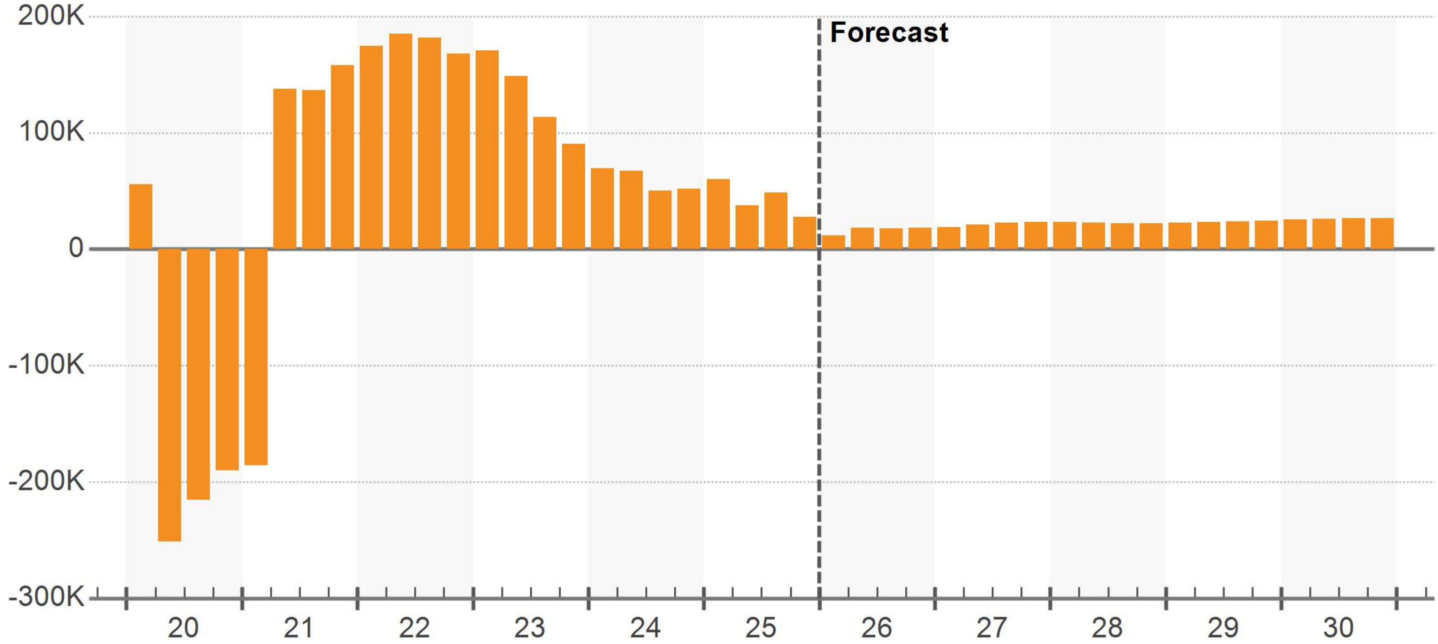


Source: Oxford Economics

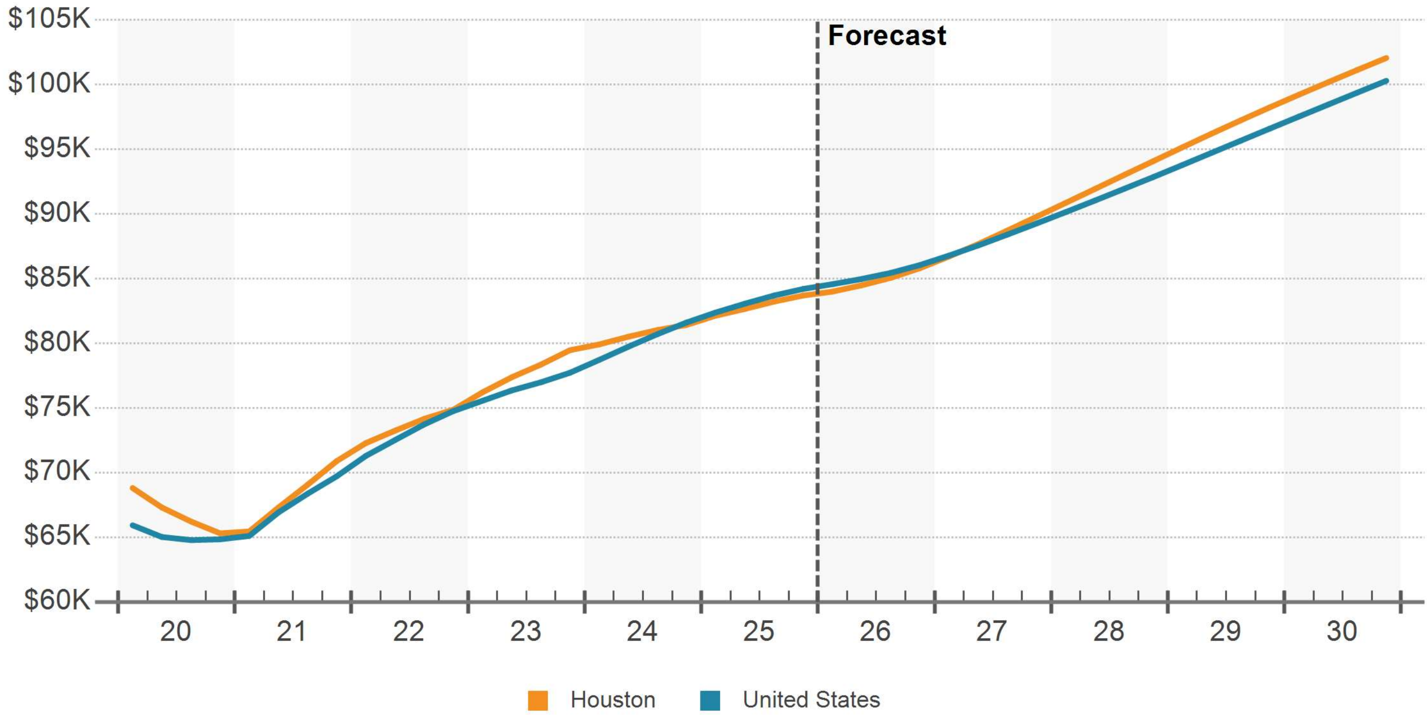
UNEMPLOYMENT RATE (%)



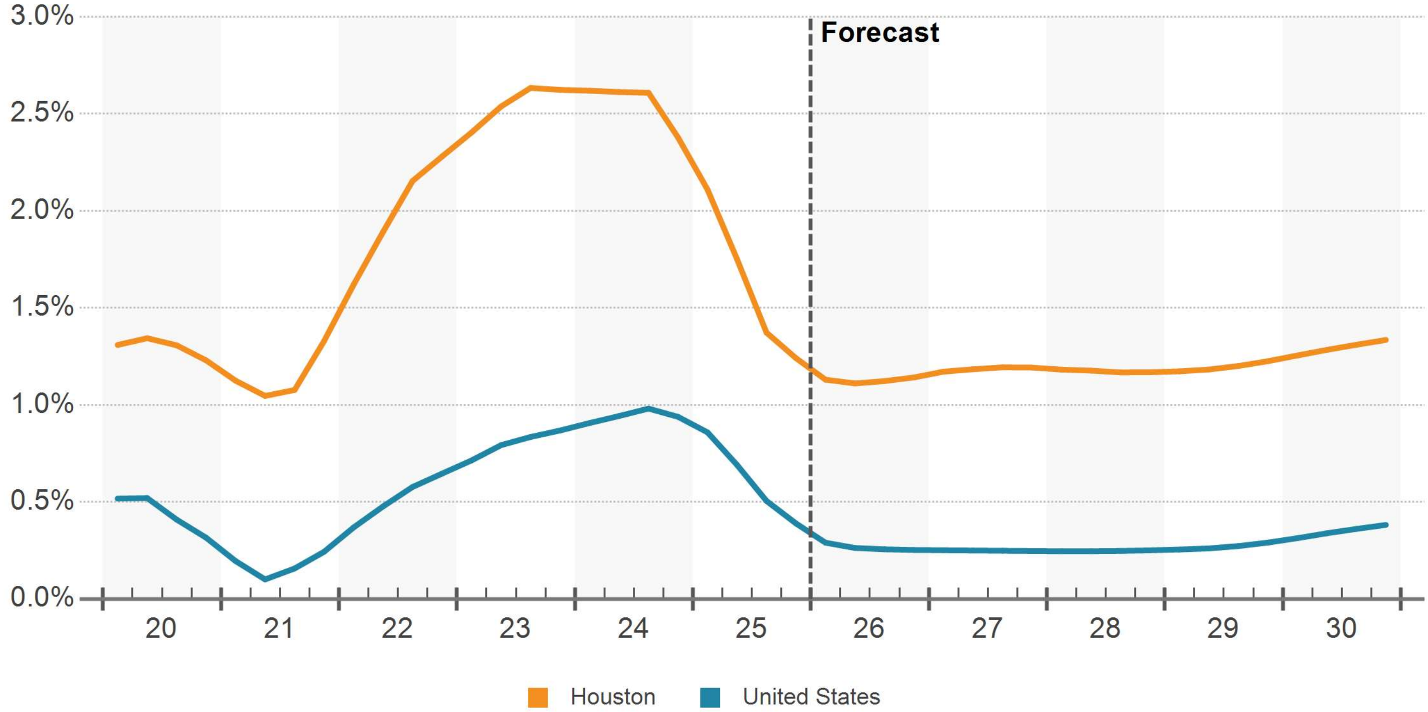
NET EMPLOYMENT CHANGE (YOY)



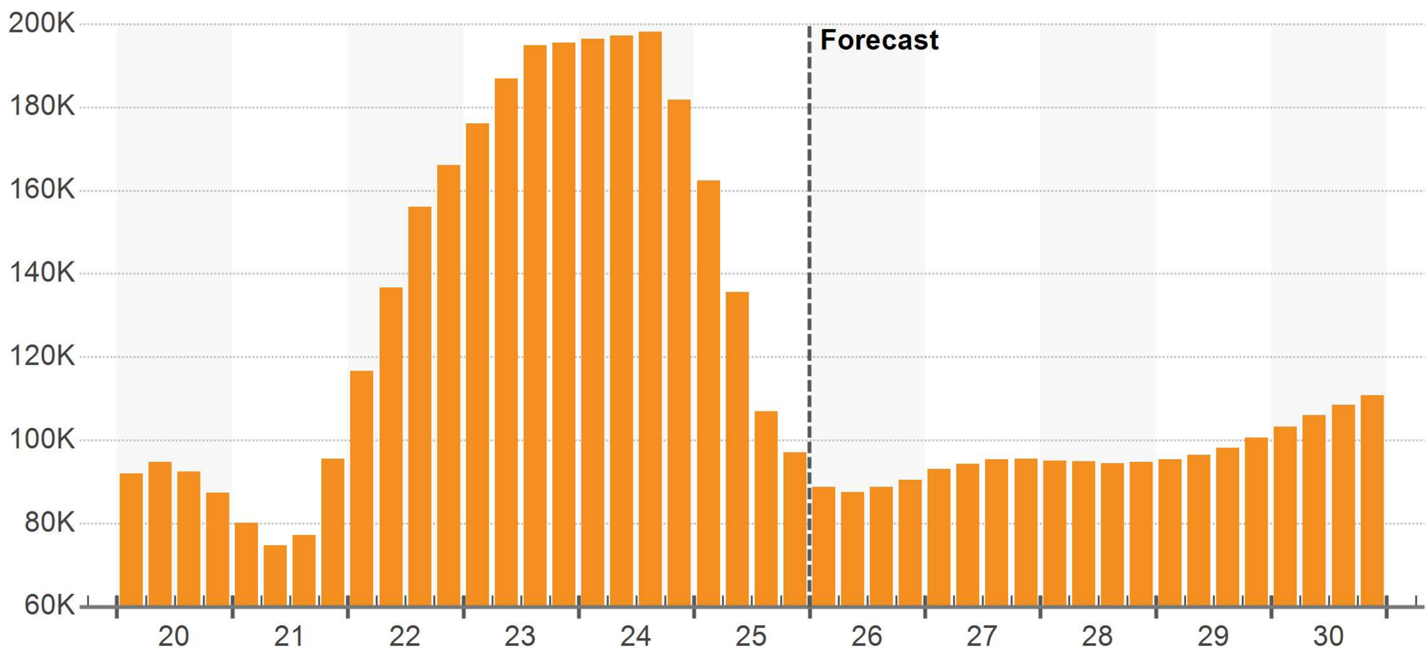
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

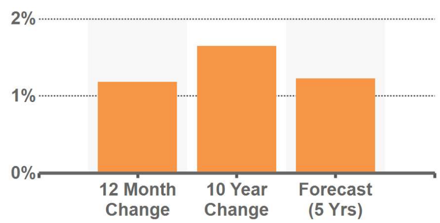


DEMOGRAPHIC TRENDS

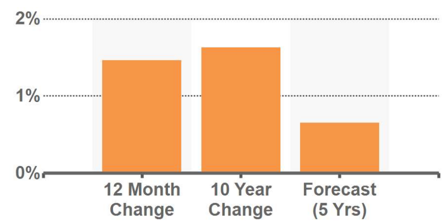
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	**Metro**	**US**	**Metro**	**US**	**Metro**	**US**	**Metro**	**US**
Population	7,936,819	342,176,188	1.2%	0.3%	1.6%	0.6%	1.2%	0.3%
Households	2,830,507	134,094,438	1.5%	0.7%	1.8%	1.0%	1.5%	0.6%
Median Household Income	$83,856	$84,401	2.5%	2.9%	3.2%	4.2%	4.1%	3.6%
Labor Force	3,909,186	170,943,563	1.5%	0.8%	1.6%	0.8%	0.6%	0.2%
Unemployment	4.6%	4.5%	0.2%	0.4%	0%	0%	-	-

Source: Oxford Economics

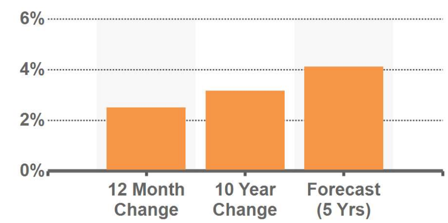
POPULATION GROWTH



LABOR FORCE GROWTH



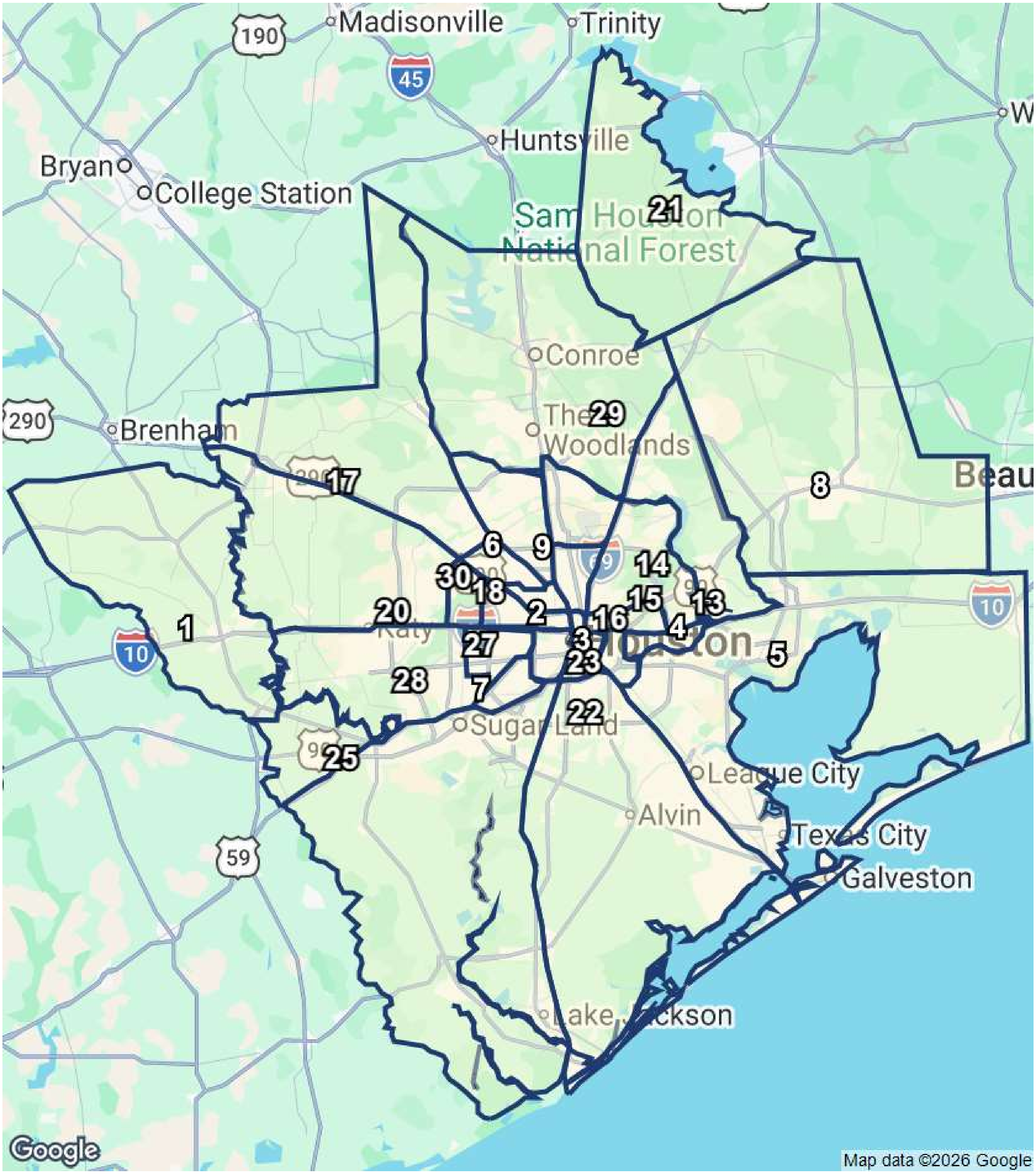
INCOME GROWTH



Source: Oxford Economics

Submarkets

HOUSTON SUBMARKETS



Submarkets

SUBMARKET INVENTORY

		Inventory				12 Month Deliveries				Under Construction			
No.	Submarket	Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Austin County	68	2,673	0.3%	29	0	0	0%	-	0	0	0%	-
2	CBD-NW Inner Loop	477	11,213	1.3%	23	0	0	0%	-	0	0	0%	-
3	Downtown Houston	872	30,403	3.5%	14	0	0	0%	-	0	0	0%	-
4	East I-10 Outer Loop	295	18,617	2.2%	19	7	2,322	12.5%	2	0	0	0%	-
5	East-Southeast Far	2,971	119,954	13.9%	1	23	2,465	2.1%	1	71	6,401	5.3%	1
6	Hwy 290/Tomball Pky	856	36,445	4.2%	9	6	844	2.3%	10	14	3,339	9.2%	3
7	Hwy 59/Hwy 90 (Alt)	1,147	32,311	3.7%	12	5	599	1.9%	12	7	471	1.5%	13
8	Liberty County	128	2,992	0.3%	28	1	165	5.5%	17	2	78	2.6%	18
9	North Fwy/Tomball Pky	1,664	46,930	5.4%	6	52	2,044	4.4%	3	78	2,812	6.0%	5
10	North Hardy Toll Road	1,038	51,403	5.9%	4	12	1,106	2.2%	8	19	1,442	2.8%	7
11	North Inner Loop	207	5,510	0.6%	26	0	0	0%	-	0	0	0%	-
12	North Outer Loop	1,263	31,745	3.7%	13	9	442	1.4%	15	1	80	0.3%	17
13	Northeast Hwy 321	188	3,089	0.4%	27	1	9	0.3%	21	0	0	0%	-
14	Northeast Hwy 90	881	35,868	4.1%	10	16	2,016	5.6%	4	17	692	1.9%	12
15	Northeast I-10	212	7,563	0.9%	24	0	0	0%	-	2	330	4.4%	14
16	Northeast Inner Loop	204	13,444	1.6%	22	0	0	0%	-	0	0	0%	-
17	Northwest Hwy 6	972	26,036	3.0%	16	53	1,745	6.7%	5	67	2,843	10.9%	4
18	Northwest Inner Loop	1,889	64,428	7.4%	2	3	39	0.1%	19	1	50	0.1%	19
19	Northwest Near	870	21,545	2.5%	17	1	245	1.1%	16	4	726	3.4%	11
20	Northwest Outliers	1,045	47,987	5.5%	5	18	1,013	2.1%	9	7	1,770	3.7%	6
21	San Jacinto County	20	136	0%	30	0	0	0%	-	0	0	0%	-
22	South Hwy 35	2,204	55,624	6.4%	3	15	1,425	2.6%	7	48	4,411	7.9%	2
23	South Inner Loop	453	13,474	1.6%	21	3	136	1.0%	18	1	251	1.9%	15
24	Southeast Outer Loop	492	21,181	2.4%	18	1	9	0%	20	0	0	0%	-
25	Southwest Far	859	29,517	3.4%	15	17	1,575	5.3%	6	13	1,043	3.5%	10
26	Southwest Inner Loop	406	6,180	0.7%	25	0	0	0%	-	0	0	0%	-
27	Southwest Outer Loop	715	15,137	1.7%	20	1	8	0.1%	22	2	231	1.5%	16
28	Sugar Land	754	42,070	4.9%	7	25	591	1.4%	13	11	1,089	2.6%	9
29	The Woodlands/Conroe	1,810	36,569	4.2%	8	58	552	1.5%	14	40	1,113	3.0%	8
30	West Outer Loop	995	35,435	4.1%	11	11	817	2.3%	11	1	48	0.1%	20

SUBMARKET RENT

		Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
No.	Submarket	Per SF	Rank	Growth	Rank	Growth	Rank
1	Austin County	$8.57	23	2.0%	24	-10.5%	28
2	CBD-NW Inner Loop	$10.34	8	2.0%	22	-4.9%	9
3	Downtown Houston	$7.29	28	2.6%	3	-4.8%	8
4	East I-10 Outer Loop	$7.73	25	2.5%	4	-6.5%	12
5	East-Southeast Far	$9.07	16	2.4%	12	-12.5%	29
6	Hwy 290/Tomball Pky	$9.01	18	2.5%	5	-10.1%	25
7	Hwy 59/Hwy 90 (Alt)	$9.73	12	2.4%	8	-6.9%	16
8	Liberty County	$8.78	20	1.9%	25	-8.9%	23
9	North Fwy/Tomball Pky	$10.38	7	2.1%	20	-6.6%	13
10	North Hardy Toll Road	$9.71	13	2.7%	1	-10.1%	26
11	North Inner Loop	$7.07	29	2.3%	13	-7.0%	17
12	North Outer Loop	$9.02	17	2.2%	19	-8.6%	20
13	Northeast Hwy 321	$10.68	6	1.7%	28	-6.6%	15
14	Northeast Hwy 90	$8.73	21	2.4%	7	-8.7%	21
15	Northeast I-10	$8.42	24	2.2%	18	-8.8%	22
16	Northeast Inner Loop	$6.75	30	2.6%	2	-3.7%	3
17	Northwest Hwy 6	$10.78	5	2.0%	23	-7.5%	18
18	Northwest Inner Loop	$9.23	15	2.3%	14	-4.7%	7
19	Northwest Near	$8.92	19	2.4%	10	-4.0%	5
20	Northwest Outliers	$10.08	9	2.4%	11	-10.4%	27
21	San Jacinto County	$11.18	4	1.5%	30	-3.4%	2
22	South Hwy 35	$8.60	22	2.0%	21	-6.3%	10
23	South Inner Loop	$7.71	26	2.5%	6	-2.9%	1
24	Southeast Outer Loop	$7.36	27	2.3%	16	-6.3%	11
25	Southwest Far	$9.75	11	2.4%	9	-8.9%	24
26	Southwest Inner Loop	$11.38	3	1.8%	26	-4.4%	6
27	Southwest Outer Loop	$12.08	1	1.7%	29	-4.0%	4
28	Sugar Land	$9.89	10	2.3%	15	-14.0%	30
29	The Woodlands/Conroe	$11.83	2	1.7%	27	-8.5%	19
30	West Outer Loop	$9.67	14	2.2%	17	-6.6%	14

SUBMARKET VACANCY & NET ABSORPTION

		Vacancy			12 Month Absorption			
No.	Submarket	SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Austin County	224,029	8.4%	23	(16,173)	-0.6%	20	-
2	CBD-NW Inner Loop	615,762	5.5%	14	(158,832)	-1.4%	25	-
3	Downtown Houston	2,193,896	7.2%	22	223,653	0.7%	15	-
4	East I-10 Outer Loop	1,860,140	10.0%	28	579,164	3.1%	10	4.0
5	East-Southeast Far	11,577,794	9.7%	27	2,034,835	1.7%	2	1.2
6	Hwy 290/Tomball Pky	1,762,584	4.8%	10	847,035	2.3%	9	1.0
7	Hwy 59/Hwy 90 (Alt)	1,532,191	4.7%	9	886,763	2.7%	8	0.3
8	Liberty County	113,315	3.8%	5	156,406	5.2%	16	-
9	North Fwy/Tomball Pky	4,060,129	8.7%	24	1,843,825	3.9%	3	0.9
10	North Hardy Toll Road	4,925,229	9.6%	25	(251,853)	-0.5%	27	-
11	North Inner Loop	208,211	3.8%	4	(36,631)	-0.7%	22	-
12	North Outer Loop	1,421,153	4.5%	7	429,721	1.4%	12	1.0
13	Northeast Hwy 321	108,184	3.5%	3	(20,009)	-0.6%	21	-
14	Northeast Hwy 90	4,202,040	11.7%	30	1,041,616	2.9%	7	1.9
15	Northeast I-10	375,611	5.0%	11	150,586	2.0%	17	-
16	Northeast Inner Loop	716,917	5.3%	13	(290,021)	-2.2%	28	-
17	Northwest Hwy 6	2,912,988	11.2%	29	1,042,441	4.0%	6	1.6
18	Northwest Inner Loop	4,591,010	7.1%	21	(986,544)	-1.5%	30	-
19	Northwest Near	1,011,540	4.7%	8	117,420	0.5%	18	1.9
20	Northwest Outliers	1,582,390	3.3%	2	1,681,311	3.5%	4	0.6
21	San Jacinto County	1,200	0.9%	1	(533)	-0.4%	19	-
22	South Hwy 35	2,869,474	5.2%	12	1,071,333	1.9%	5	1.1
23	South Inner Loop	861,803	6.4%	16	(154,721)	-1.1%	23	-
24	Southeast Outer Loop	1,429,045	6.7%	20	(614,728)	-2.9%	29	-
25	Southwest Far	2,846,972	9.6%	26	573,918	1.9%	11	2.7
26	Southwest Inner Loop	402,273	6.5%	17	(156,278)	-2.5%	24	-
27	Southwest Outer Loop	1,002,644	6.6%	19	(206,602)	-1.4%	26	-
28	Sugar Land	2,329,336	5.5%	15	2,797,267	6.6%	1	0.2
29	The Woodlands/Conroe	1,531,301	4.2%	6	270,553	0.7%	14	1.9
30	West Outer Loop	2,332,343	6.6%	18	293,823	0.8%	13	2.7

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	980,199,830	20,974,927	2.2%	20,598,203	2.1%	1.0
2029	959,224,903	22,177,543	2.4%	20,892,201	2.2%	1.1
2028	937,047,360	22,286,947	2.4%	21,434,741	2.3%	1.0
2027	914,760,413	23,331,015	2.6%	20,655,897	2.3%	1.1
2026	891,429,398	27,410,472	3.2%	21,246,395	2.4%	1.3
YTD	865,475,841	1,456,915	0.2%	2,451,170	0.3%	0.6
2025	864,018,926	20,127,244	2.4%	11,498,531	1.3%	1.8
2024	843,891,682	20,328,849	2.5%	21,688,891	2.6%	0.9
2023	823,562,833	36,753,132	4.7%	20,397,035	2.5%	1.8
2022	786,809,701	23,790,423	3.1%	30,963,162	3.9%	0.8
2021	763,019,278	24,584,196	3.3%	35,617,021	4.7%	0.7
2020	738,435,082	31,625,212	4.5%	17,040,016	2.3%	1.9
2019	706,809,870	19,502,783	2.8%	11,413,717	1.6%	1.7
2018	687,307,087	15,100,077	2.2%	13,464,799	2.0%	1.1
2017	672,207,010	11,461,479	1.7%	12,143,175	1.8%	0.9
2016	660,745,531	15,362,299	2.4%	11,525,490	1.7%	1.3
2015	645,383,232	15,356,202	2.4%	13,742,426	2.1%	1.1
2014	630,027,030	12,491,865	2.0%	14,974,498	2.4%	0.8

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	141,887,784	1,631,192	1.2%	1,529,497	1.1%	1.1
2029	140,256,592	1,632,903	1.2%	1,484,661	1.1%	1.1
2028	138,623,689	1,510,791	1.1%	1,344,167	1.0%	1.1
2027	137,112,898	1,418,151	1.0%	1,286,242	0.9%	1.1
2026	135,694,747	1,315,946	1.0%	636,659	0.5%	2.1
YTD	134,398,801	20,000	0%	(229,859)	-0.2%	-
2025	134,378,801	2,017,337	1.5%	2,029,623	1.5%	1.0
2024	132,361,464	865,832	0.7%	675,109	0.5%	1.3
2023	131,495,632	490,554	0.4%	638,022	0.5%	0.8
2022	131,005,078	1,893,527	1.5%	2,412,368	1.8%	0.8
2021	129,111,551	1,058,870	0.8%	1,619,881	1.3%	0.7
2020	128,052,681	2,727,972	2.2%	1,868,272	1.5%	1.5
2019	125,324,709	1,614,712	1.3%	1,496,668	1.2%	1.1
2018	123,709,997	1,210,171	1.0%	1,295,108	1.0%	0.9
2017	122,499,826	846,274	0.7%	1,266,645	1.0%	0.7
2016	121,653,552	4,568,738	3.9%	4,302,064	3.5%	1.1
2015	117,084,814	909,285	0.8%	1,160,920	1.0%	0.8
2014	116,175,529	1,286,848	1.1%	1,785,935	1.5%	0.7

LOGISTICS SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	775,043,259	18,738,337	2.5%	18,503,825	2.4%	1.0
2029	756,304,922	19,965,229	2.7%	18,876,775	2.5%	1.1
2028	736,339,693	20,266,590	2.8%	19,482,631	2.6%	1.0
2027	716,073,103	21,467,783	3.1%	18,724,643	2.6%	1.1
2026	694,605,320	25,732,742	3.8%	20,891,859	3.0%	1.2
YTD	670,239,167	1,366,589	0.2%	2,822,068	0.4%	0.5
2025	668,872,578	17,494,181	2.7%	10,053,268	1.5%	1.7
2024	651,378,397	19,008,765	3.0%	20,465,823	3.1%	0.9
2023	632,369,632	34,942,160	5.8%	18,227,619	2.9%	1.9
2022	597,427,472	21,945,716	3.8%	28,266,640	4.7%	0.8
2021	575,481,756	22,960,546	4.2%	33,969,839	5.9%	0.7
2020	552,521,210	28,289,791	5.4%	14,817,459	2.7%	1.9
2019	524,231,419	17,559,764	3.5%	10,097,660	1.9%	1.7
2018	506,671,655	13,511,014	2.7%	11,836,021	2.3%	1.1
2017	493,160,641	10,070,731	2.1%	11,059,410	2.2%	0.9
2016	483,089,910	10,099,096	2.1%	6,891,970	1.4%	1.5
2015	472,990,814	13,892,949	3.0%	11,945,309	2.5%	1.2
2014	459,097,865	10,844,721	2.4%	12,305,504	2.7%	0.9

FLEX SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2030	63,268,787	605,398	1.0%	564,881	0.9%	1.1
2029	62,663,389	579,411	0.9%	530,765	0.8%	1.1
2028	62,083,978	509,566	0.8%	607,943	1.0%	0.8
2027	61,574,412	445,081	0.7%	645,012	1.0%	0.7
2026	61,129,331	361,784	0.6%	(282,123)	-0.5%	-
YTD	60,837,873	70,326	0.1%	(141,039)	-0.2%	-
2025	60,767,547	615,726	1.0%	(584,360)	-1.0%	-
2024	60,151,821	454,252	0.8%	547,959	0.9%	0.8
2023	59,697,569	1,320,418	2.3%	1,531,394	2.6%	0.9
2022	58,377,151	(48,820)	-0.1%	284,154	0.5%	-
2021	58,425,971	564,780	1.0%	27,301	0%	20.7
2020	57,861,191	607,449	1.1%	354,285	0.6%	1.7
2019	57,253,742	328,307	0.6%	(180,611)	-0.3%	-
2018	56,925,435	378,892	0.7%	333,670	0.6%	1.1
2017	56,546,543	544,474	1.0%	(182,880)	-0.3%	-
2016	56,002,069	694,465	1.3%	331,456	0.6%	2.1
2015	55,307,604	553,968	1.0%	636,197	1.2%	0.9
2014	54,753,636	360,296	0.7%	883,059	1.6%	0.4

OVERALL RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$10.65	180	3.0%	12.5%	74,037,244	7.6%	-0.1%
2029	$10.34	175	3.2%	9.2%	73,645,766	7.7%	0%
2028	$10.02	170	3.4%	5.8%	72,346,692	7.7%	-0.1%
2027	$9.69	164	2.5%	2.3%	71,474,781	7.8%	0.1%
2026	$9.45	160	-0.2%	-0.2%	68,762,077	7.7%	0.5%
YTD	$9.36	158	2.3%	-1.1%	61,601,504	7.1%	-0.1%
2025	$9.47	160	4.2%	0%	62,595,759	7.2%	0.8%
2024	$9.08	154	0.9%	-4.1%	53,966,546	6.4%	-0.3%
2023	$9	152	7.6%	-5.0%	55,360,543	6.7%	1.8%
2022	$8.37	142	7.0%	-11.6%	39,025,538	5.0%	-1.1%
2021	$7.82	132	3.9%	-17.4%	46,173,540	6.1%	-1.7%
2020	$7.52	127	2.4%	-20.5%	57,242,679	7.8%	1.7%
2019	$7.35	124	2.2%	-22.4%	42,773,519	6.1%	1.0%
2018	$7.19	122	2.2%	-24.1%	34,818,384	5.1%	0%
2017	$7.03	119	2.8%	-25.7%	33,792,421	5.0%	-0.2%
2016	$6.84	116	0.5%	-27.7%	34,609,651	5.2%	0.4%
2015	$6.81	115	4.0%	-28.1%	31,273,737	4.8%	0.1%
2014	$6.55	111	3.3%	-30.9%	29,688,983	4.7%	-0.5%

SPECIALIZED INDUSTRIAL RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$12	185	2.9%	11.3%	4,670,950	3.3%	0%
2029	$11.66	179	3.0%	8.1%	4,567,174	3.3%	0.1%
2028	$11.33	174	2.9%	5.0%	4,416,801	3.2%	0.1%
2027	$11.01	169	1.7%	2.1%	4,247,186	3.1%	0.1%
2026	$10.83	167	0.4%	0.4%	4,104,732	3.0%	0.5%
YTD	$10.76	166	1.8%	-0.3%	3,672,839	2.7%	0.2%
2025	$10.79	166	2.9%	0%	3,422,980	2.5%	0%
2024	$10.49	161	2.4%	-2.8%	3,435,266	2.6%	0.1%
2023	$10.25	158	3.8%	-5.0%	3,244,543	2.5%	-0.1%
2022	$9.87	152	3.8%	-8.5%	3,392,011	2.6%	-0.4%
2021	$9.51	146	4.5%	-11.8%	3,910,852	3.0%	-0.5%
2020	$9.10	140	3.4%	-15.6%	4,471,863	3.5%	0.6%
2019	$8.80	135	4.0%	-18.4%	3,612,163	2.9%	0%
2018	$8.46	130	4.1%	-21.6%	3,512,059	2.8%	-0.1%
2017	$8.13	125	5.4%	-24.7%	3,596,996	2.9%	-0.4%
2016	$7.71	119	1.0%	-28.5%	4,017,367	3.3%	0.1%
2015	$7.63	117	6.1%	-29.3%	3,750,693	3.2%	-0.2%
2014	$7.19	111	4.1%	-33.3%	4,002,328	3.4%	-0.5%

LOGISTICS RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$10.02	182	3.1%	13.0%	62,580,153	8.1%	-0.2%
2029	$9.73	177	3.2%	9.7%	62,337,687	8.2%	-0.1%
2028	$9.42	171	3.6%	6.2%	61,242,171	8.3%	-0.1%
2027	$9.10	165	2.8%	2.6%	60,446,225	8.4%	0.1%
2026	$8.85	161	-0.2%	-0.2%	57,679,965	8.3%	0.4%
YTD	$8.74	159	2.6%	-1.4%	51,387,018	7.7%	-0.2%
2025	$8.87	161	4.9%	0%	52,842,497	7.9%	0.9%
2024	$8.45	153	0.3%	-4.7%	45,401,084	7.0%	-0.4%
2023	$8.43	153	9.0%	-4.9%	46,892,097	7.4%	2.4%
2022	$7.73	140	8.3%	-12.8%	30,198,648	5.1%	-1.3%
2021	$7.14	130	3.7%	-19.5%	36,494,835	6.3%	-2.3%
2020	$6.88	125	2.4%	-22.4%	47,565,942	8.6%	2.1%
2019	$6.72	122	1.8%	-24.2%	34,093,160	6.5%	1.2%
2018	$6.60	120	1.7%	-25.5%	26,747,048	5.3%	0.1%
2017	$6.50	118	2.3%	-26.8%	25,661,870	5.2%	-0.3%
2016	$6.35	115	0.3%	-28.4%	26,786,129	5.5%	0.5%
2015	$6.33	115	3.8%	-28.6%	24,080,352	5.1%	0.3%
2014	$6.10	111	3.0%	-31.3%	22,161,734	4.8%	-0.4%

FLEX RENT & VACANCY

	Market Asking Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2030	$14.83	162	3.1%	11.1%	6,786,141	10.7%	0%
2029	$14.39	157	3.3%	7.8%	6,740,905	10.8%	0%
2028	$13.93	152	3.4%	4.4%	6,687,720	10.8%	-0.2%
2027	$13.47	147	2.0%	0.9%	6,781,370	11.0%	-0.4%
2026	$13.21	144	-1.0%	-1.0%	6,977,380	11.4%	1.0%
YTD	$13.23	145	0.5%	-0.8%	6,541,647	10.8%	0.3%
2025	$13.34	146	1.8%	0%	6,330,282	10.4%	1.9%
2024	$13.11	143	3.2%	-1.8%	5,130,196	8.5%	-0.2%
2023	$12.70	139	3.9%	-4.9%	5,223,903	8.8%	-0.6%
2022	$12.22	134	4.0%	-8.4%	5,434,879	9.3%	-0.6%
2021	$11.75	128	4.0%	-12.0%	5,767,853	9.9%	0.9%
2020	$11.29	123	1.1%	-15.4%	5,204,874	9.0%	0.1%
2019	$11.17	122	2.0%	-16.3%	5,068,196	8.9%	0.8%
2018	$10.95	120	2.3%	-18.0%	4,559,277	8.0%	0%
2017	$10.70	117	1.5%	-19.8%	4,533,555	8.0%	1.2%
2016	$10.53	115	1.0%	-21.1%	3,806,155	6.8%	0.6%
2015	$10.43	114	2.2%	-21.8%	3,442,692	6.2%	-0.2%
2014	$10.21	112	3.5%	-23.5%	3,524,921	6.4%	-1.0%

Sale Trends

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	0	-	-	-	-	-	$128.48	248	7.5%
2029	0	-	-	-	-	-	$124.41	241	7.5%
2028	0	-	-	-	-	-	$119.92	232	7.5%
2027	0	-	-	-	-	-	$114.47	221	7.6%
2026	-	-	-	-	-	-	$110.34	213	7.7%
YTD	176	$3.6M	0.8%	$894,541	$116.49	7.0%	$108.77	210	7.8%
2025	1,719	$2.3B	6.6%	$8,928,798	$154.67	7.1%	$108.98	211	7.7%
2024	1,245	$1.4B	4.9%	$5,012,574	$113.24	7.5%	$101.83	197	7.8%
2023	1,041	$602M	3.8%	$3,541,257	$99.31	8.3%	$98.76	191	7.6%
2022	1,427	$1.1B	6.5%	$4,605,252	$112.93	7.3%	$100.97	195	6.9%
2021	1,741	$3.1B	9.2%	$7,941,822	$105.72	7.0%	$101.33	196	6.3%
2020	1,136	$672.7M	6.1%	$3,888,165	$88.35	7.7%	$87.62	169	6.8%
2019	1,216	$1.3B	5.7%	$4,108,246	$79.43	7.7%	$80.35	155	7.1%
2018	1,300	$1.7B	6.5%	$5,310,777	$83.31	7.9%	$76.97	149	7.0%
2017	1,211	$1.2B	5.4%	$3,884,173	$74.90	7.5%	$75.05	145	6.8%
2016	915	$467.6M	3.4%	$2,941,062	$68.01	8.2%	$75.79	147	6.5%
2015	1,036	$1B	5.7%	$5,099,440	$84.35	8.5%	$74.84	145	6.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

SPECIALIZED INDUSTRIAL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	-	-	-	-	-	-	$122.79	255	7.3%
2029	-	-	-	-	-	-	$118.92	247	7.3%
2028	-	-	-	-	-	-	$114.77	238	7.4%
2027	-	-	-	-	-	-	$110.15	229	7.5%
2026	-	-	-	-	-	-	$107.26	223	7.5%
YTD	21	-	0.9%	-	-	6.8%	$106.01	220	7.6%
2025	212	$632.4M	6.2%	$30,116,520	$433.18	6.8%	$106.18	220	7.6%
2024	140	$89.5M	4.1%	$2,888,017	$125.04	7.4%	$98.06	204	7.7%
2023	99	$60.8M	2.1%	$4,340,899	$104.29	6.0%	$94.62	196	7.5%
2022	161	$140.4M	5.4%	$4,528,170	$121.44	5.3%	$96.48	200	6.8%
2021	209	$227.3M	6.8%	$4,133,188	$99.73	7.5%	$97.10	202	6.2%
2020	103	$46.5M	3.8%	$3,322,856	$68.58	5.0%	$83.97	174	6.7%
2019	120	$181.7M	4.8%	$5,679,206	$93.61	6.5%	$76.82	159	7.0%
2018	136	$171.1M	5.1%	$5,520,290	$62.86	8.6%	$73.04	152	6.9%
2017	131	$137M	4.4%	$4,280,718	$88.41	5.4%	$70.78	147	6.8%
2016	96	$39.1M	3.1%	$3,913,837	$58.21	8.7%	$71.42	148	6.4%
2015	95	$202.7M	4.2%	$11,924,927	$124.96	8.5%	$70.48	146	6.3%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

LOGISTICS SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	-	-	-	-	-	-	$127.50	249	7.5%
2029	-	-	-	-	-	-	$123.53	242	7.5%
2028	-	-	-	-	-	-	$119.12	233	7.5%
2027	-	-	-	-	-	-	$113.64	222	7.6%
2026	-	-	-	-	-	-	$109.28	214	7.7%
YTD	127	$173.2K	0.7%	$173,164	$77.93	7.2%	$107.50	210	7.8%
2025	1,275	$1.5B	6.6%	$7,686,519	$122.83	7.1%	$107.71	211	7.7%
2024	940	$1.1B	5.1%	$6,112,645	$111.38	7.5%	$100.63	197	7.8%
2023	796	$504.4M	4.1%	$3,880,160	$97.60	9.5%	$97.56	191	7.6%
2022	1,047	$853.1M	6.6%	$5,139,338	$107.65	8.0%	$99.74	195	6.9%
2021	1,259	$2.7B	9.4%	$9,142,394	$104.99	6.8%	$100.05	196	6.3%
2020	843	$513.6M	6.4%	$4,141,770	$85.90	8.2%	$86.45	169	6.8%
2019	919	$910.6M	5.8%	$4,101,938	$72.81	8.1%	$79.26	155	7.1%
2018	990	$1.4B	6.8%	$5,857,472	$85.52	7.3%	$75.90	148	7.0%
2017	904	$880.4M	5.4%	$4,402,122	$73.93	7.7%	$74.10	145	6.8%
2016	697	$382.6M	3.4%	$3,215,465	$70.70	8.2%	$74.76	146	6.4%
2015	815	$701.4M	6.0%	$4,439,278	$73.52	8.3%	$73.87	145	6.3%

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FLEX SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2030	0	-	-	-	-	-	$152.25	229	8.0%
2029	0	-	-	-	-	-	$146.58	221	8.0%
2028	0	-	-	-	-	-	$140.34	211	8.0%
2027	0	-	-	-	-	-	$133.38	201	8.1%
2026	-	-	-	-	-	-	$129.19	195	8.2%
YTD	28	$3.4M	1.5%	$1,135,000	$119.49	6.8%	$129.28	195	8.3%
2025	232	$72.6M	6.7%	$2,420,665	$142.53	7.2%	$129.64	195	8.2%
2024	165	$130.8M	4.0%	$2,422,724	$123.28	7.3%	$123.75	186	8.2%
2023	146	$36.8M	4.4%	$1,416,167	$118.26	6.8%	$121.56	183	8.0%
2022	219	$102.5M	8.0%	$2,501,136	$164.29	6.0%	$124.90	188	7.2%
2021	273	$198M	12.0%	$4,604,772	$126.42	8.7%	$125.12	188	6.6%
2020	190	$112.6M	7.2%	$3,215,801	$117.71	6.9%	$108.94	164	7.1%
2019	177	$226.4M	7.4%	$3,378,836	$105.04	7.9%	$100.49	151	7.3%
2018	174	$117.2M	7.0%	$2,441,994	$99.88	10.7%	$97.85	147	7.2%
2017	176	$155.6M	7.7%	$2,223,039	$70.67	8.3%	$95.29	144	7.0%
2016	122	$45.9M	3.7%	$1,528,338	$57.92	7.8%	$97.15	146	6.6%
2015	126	$126M	6.6%	$4,665,083	$119.96	9.5%	$95.49	144	6.5%

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