APRIL 2026

ISSUE 21

CRE marketwire

INTEL FROM THE SAN ANTONIO & AUSTIN RETAIL COMMERCIAL REAL ESTATE MARKETS

Understanding Title Fraud

How a Criminal Can Steal Your $6,000,000 Building for $30 in Cash

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Energy Market Affects CRE Pricing

A New Oil Shock and What It Means for Retail CRE

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ISSUE 21
April 2026

marketwire

Foresite Commercial Real Estate
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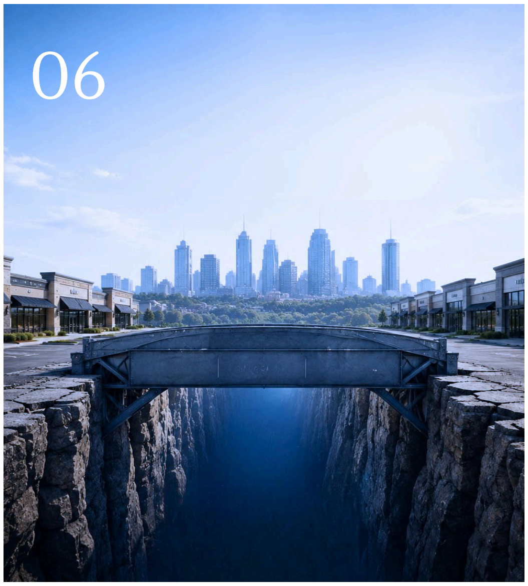


This report contains real data and analytics on the San Antonio and Austin commercial real estate markets covering all metrics of shopping centers and retail buildings, including retail occupancy and cap rates. Sourced from our proprietary extensive research efforts in aggregating hundreds of data points, interviewing active investors and property owners, and adding insights from experts in the segment, this is a comprehensive look at the current condition of the local retail commercial real estate market.

FORESITE
INVESTMENT SALES

Letter from the editor

RESILIENCE BENEATH THE UNCERTAINTY

The San Antonio and Austin retail markets carried forward the momentum built in the fourth quarter, with new listing and sales activity remaining elevated through the first quarter of 2026. However, broader economic headwinds introduced some hesitancy among investors, and we expect that to temper activity somewhat heading into the second quarter.

Underlying pent-up demand that had been building entering 2026 helped sustain transaction velocity, though uncertainty in the economy kept what could have been a stronger acceleration in check. Cap rates for deals on the market held steady quarter over quarter, and pricing remained largely unchanged as well. Buyers continued to get creative in structuring deals to make the numbers work, for properties they were motivated to acquire.

Overall, leasing activity slowed in the first quarter, reflecting a more cautious approach from tenants and a general pause in decision making across both markets. Retail rental rates stayed consistent in San Antonio, a steady market supported by stable demand, limited new supply, and relatively balanced absorption across retail space. Starting rents in Austin declined approximately 9% year over year, signaling a softening in pricing after prior periods of stronger growth.

Alex Tatem is the Head of Research for Foresite Commercial Real Estate and is also an active investment sales agent.

The Fed held rates steady in the first quarter, and while a cut remains possible if inflation continues to moderate and the labor market shows further signs of strain, expectations have been scaled back to just one rate reduction for the year.

Consumer sentiment has weakened considerably, weighed down by the latest employment and inflation data. Consumers are reporting softer personal finances and more challenging buying conditions, a backdrop that adds to the cautious tone we are seeing in the market.

Despite the headwinds, the underlying fundamentals across both markets remain intact. Pent-up demand, disciplined sellers, motivated buyers, and creative deal structuring point to a market with more resilience than the broader economic uncertainty might suggest. Those who stay engaged and move decisively in this environment will be better positioned when conditions shift, and the window to acquire ahead of that inflection point may be narrower than it appears.

CURRENT ISSUE'S

KEY POINTS

ON THE MARKET

- 74 class A & B multi-tenant retail properties were publicly marketed during the first quarter of 2026.
- Twenty-three new listings came to market during the quarter. Eleven properties went under contract. Five reduced their price. Eleven properties sold in San Antonio and Austin markets combined.
- San Antonio's average asking cap rate for all multi-tenant retail was 6.77%, up 3 basis points from Q4 2025.
- The average listing cap rate for all product sizes in Austin is 6.02%, down 10 basis points from Q4 2025.
- The first quarter carried forward the surge in new listing activity and buyer demand that began in Q4 2025. Pricing remained steady, while buyers continued to get creative in structuring deals to make the numbers work for properties they were motivated to acquire.

LEASING AND VACANCY

- Retail rental rates stayed consistent in San Antonio, a steady market supported by stable demand, limited new supply, and relatively balanced absorption across retail space.
- Starting rents in Austin declined to $30.22, approximately 9% lower than Q1 2025, and $5.17 (14.6%) lower than last quarter, signaling a softening in pricing after prior periods of stronger growth.
- San Antonio's average starting rental rate is $23.21, up $0.42 from last quarter.
- Overall, leasing activity slowed in the first quarter, reflecting a more cautious approach from tenants and a general pause in decision making across both markets.

LABOR MARKET

- Texas ended the first quarter with an unemployment rate of 4.4 percent, higher than the nation's 4.3 percent.
- Austin's unemployment rate is 3.7%. San Antonio's is 4.3%.
- U.S. employment increased by 178,000 jobs in March, well above the forecast of 60,000.
- Job growth has been uneven this year, averaging just 68,000 jobs per month from January through March.
- A recent Gallup poll found that 72% of Americans said it was a bad time to find a job, up sharply from 54% a year earlier. The data presents a split picture: employers are hiring, but workers aren't feeling it.

RETAIL SALES

- Retail sales had a strong 1.7% increase in March, marking the fastest monthly gain in more than three years.
- The 0.9% rise in the Consumer Price Index during the same period suggests that a meaningful portion of the increase reflects higher prices rather than higher purchasing volume.
- When excluding gas stations, retail sales rose a more modest 0.6%, slightly below February's 0.7% gain.

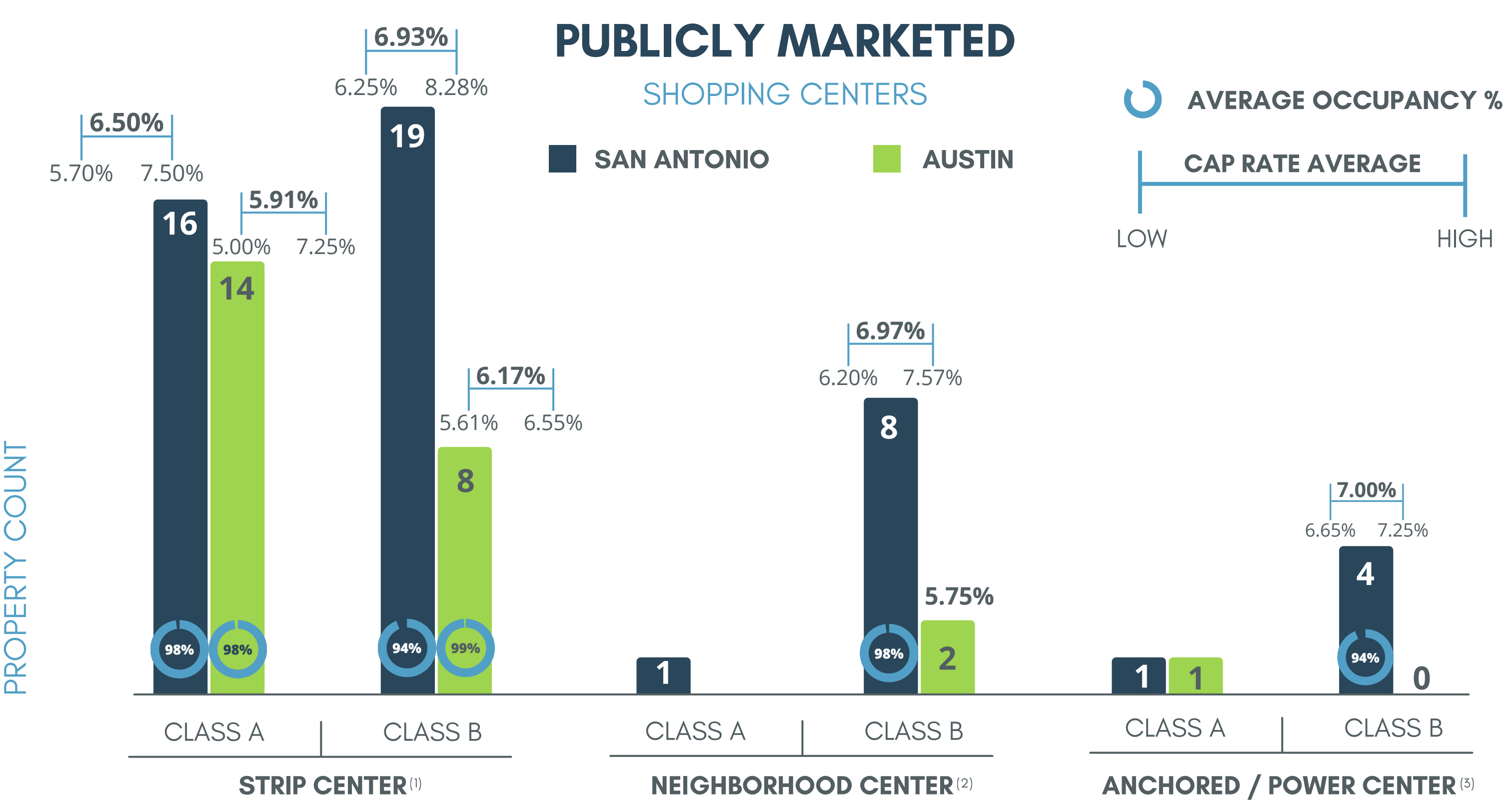
KEY INDICATORS

- The Consumer Price Index (CPI) rose by 0.9% year-over-year in March.
- Energy prices were the biggest driver of inflation in March, rising 10.9% overall, with gasoline alone jumping 21.2% and accounting for the majority of the monthly increase.
- The Federal Reserve kept rates steady and projections pointed to just one rate cut for 2026.

On The Market

Map shows properties available for sale during the first quarter of 2026

- The dataset below consists of **Class A and B** retail centers that were **publicly listed** on the market during the **first quarter of 2026**.
- Out of the 74 properties, **23 new listings** came to market during the quarter, 11 went under contract, 5 reduced their list price, and 11 sold.
- **San Antonio's** average multi-tenant retail asking cap rate for all product sizes **is 6.77%.** The average asking cap rate for all product sizes in **Austin is 6.02%.**
- The first quarter carried forward the surge in new listing activity and buyer demand that began in Q4 2025. Pricing remained steady, while buyers continued to get creative in structuring deals to make the numbers work for properties they were motivated to acquire.



CLASSIFICATION METHOD

(1) Unanchored retail, generally under 25,000 square feet oriented in a straight line
(2) Unanchored retail, generally under 75,000 square feet with a mixture of local and regional tenants
(3) Over 75,000 square feet, anchored with a national tenant, may include inline retail or big box stores only

Source: Foresite Research Services

Current Trends

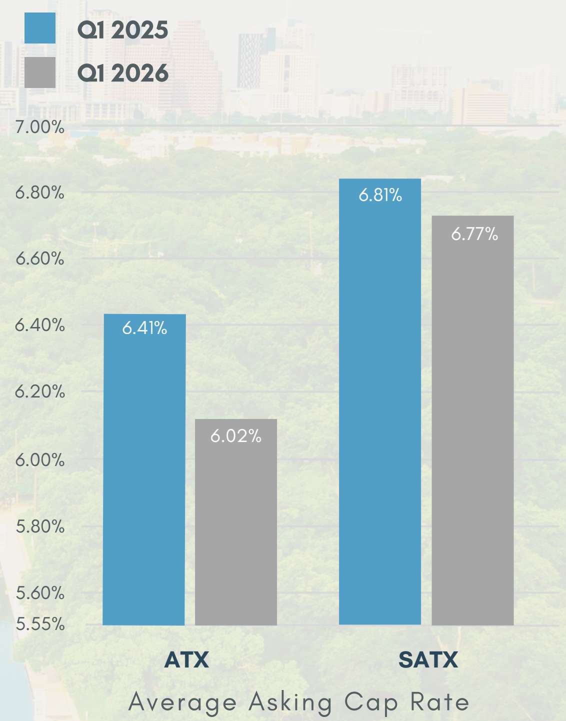
- The average asking cap rate for Class A shopping centers in San Antonio is 6.57%. The average for Class B is 6.93%
- The average asking cap rate for Class A shopping centers in Austin is 6.01%. The average for Class B is 6.02%

	SATX	ATX
# of Listings	49	25
Avg Cap Rate Class A	6.57%	6.02%
Avg Cap Rate Class B	6.93%	6.02%
Average Occupancy	96.09%	98.64%

CHANGES TO LISTED PROPERTIES

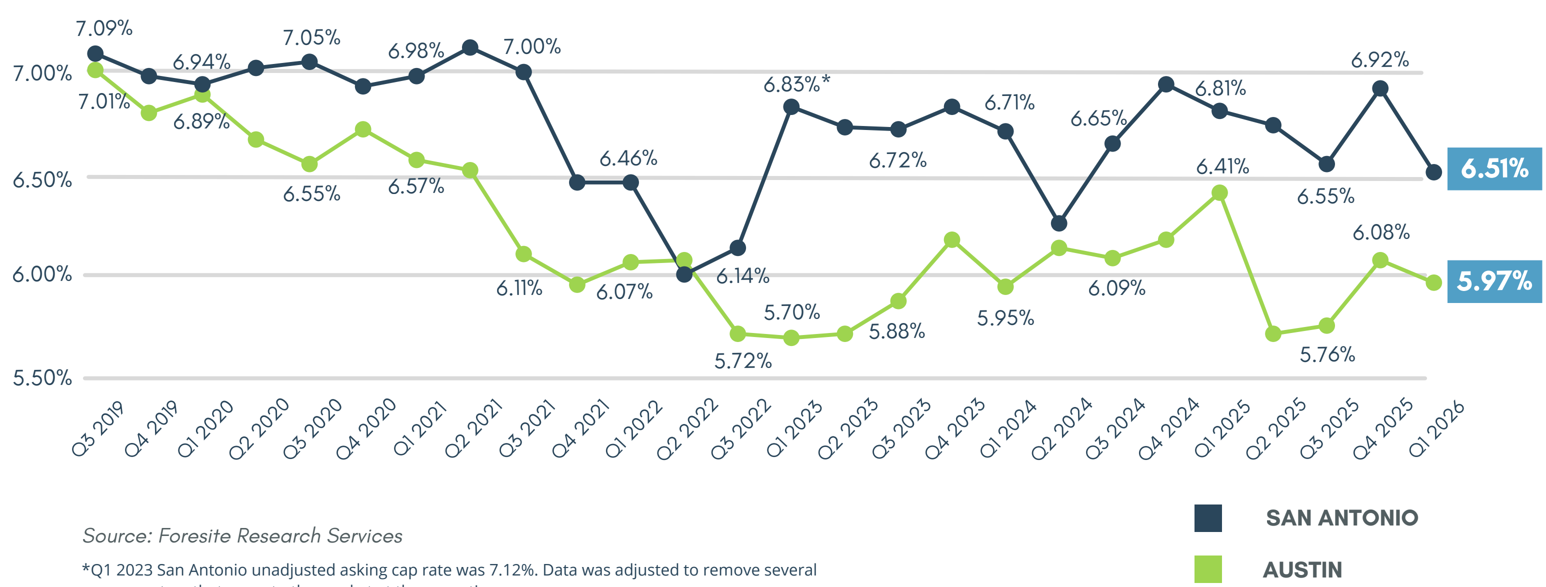
	Q1 2025	Q1 2026
Class A & B Centers	68	74
New Listings	29	23
Went Under Contract	7	11
Reduced Price	4	5
Sold	5	11

*San Antonio & Austin Markets Combined



AVERAGE STARTING ASKING PRICE

AVERAGE ASKING CAP RATE FOR NEW LISTINGS



Source: Foresite Research Services

*Q1 2023 San Antonio unadjusted asking cap rate was 7.12%. Data was adjusted to remove several power centers that came to the market at the same time.

Retail Pricing

RETAIL CENTER SALES TRAILING 12 MONTHS (2025 Q2 TO 2026 Q1)*

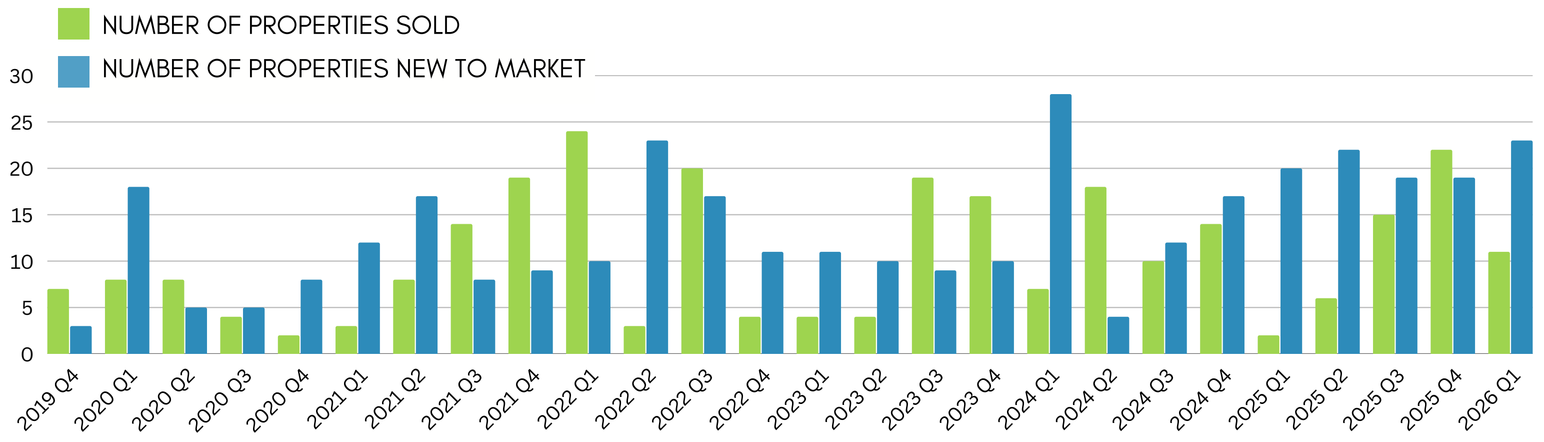
UNDER $5M	AVERAGE CAP RATE 2026	AVERAGE CAP RATE 2025	AVERAGE PPSF 2026	AVERAGE PPSF 2025	AVERAGE OCCUPANCY 2026	AVERAGE OCCUPANCY 2025
SAN ANTONIO	7.12%	7.44%	$258	$207	96%	98%
AUSTIN	6.27%	6.33%	$417	$297	100%	100%

OVER $5M	AVERAGE CAP RATE 2026	AVERAGE CAP RATE 2025	AVERAGE PPSF 2026	AVERAGE PPSF 2025	AVERAGE OCCUPANCY 2026	AVERAGE OCCUPANCY 2025
SAN ANTONIO	6.67%	7.04%	$374	$277	95%	91%
AUSTIN	6.44%	6.18%	$468	$442	96%	98%

**Sample of 50 Properties.*

Source: Foresite Research Services

COMBINED SAN ANTONIO AND AUSTIN – NEWLY LISTED AND SOLD

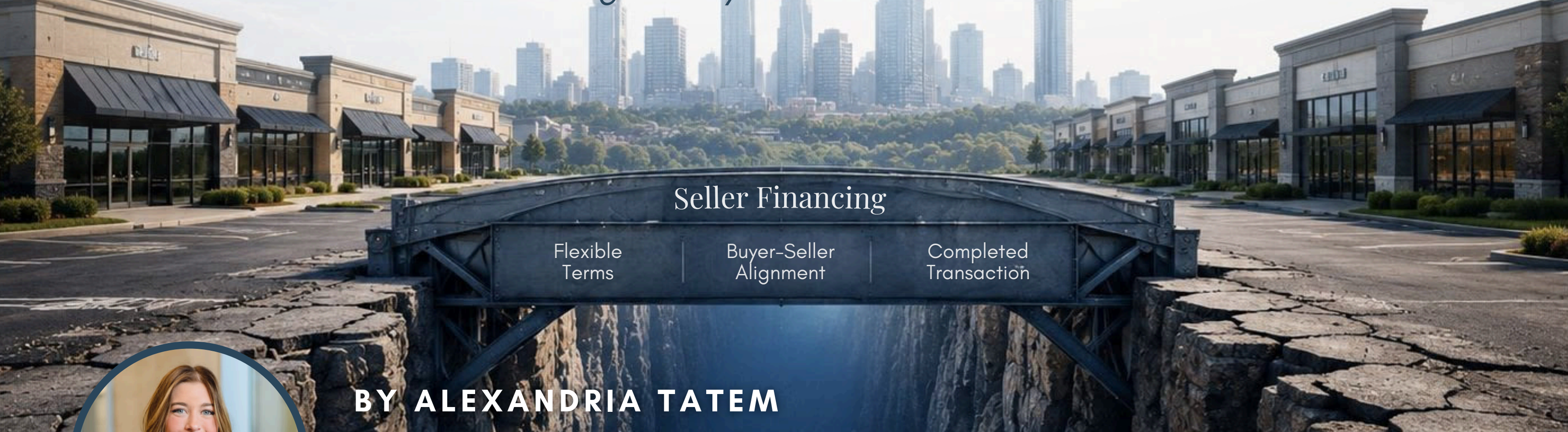


New listings to the market rose through 2024 and then largely held at elevated levels into 2025, indicating sustained seller activity after an initial build up. In contrast, sales activity was more volatile, with a noticeable dip in Q1 2025 before gradually recovering and strengthening through the remainder of 2025. 2024 reflects a market where many properties were brought to market but a meaningful share did not transact, contributing to a slower transaction velocity rate. Overall, 2025 was a subdued year relative to expectations, with inventory staying available longer and sales momentum only rebuilding later in the year. While there appeared to be underlying pent up demand heading into 2026, broader economic headwinds have introduced hesitation, tempering what otherwise might have been a stronger acceleration in activity.

Source: Foresite Research Services

Seller Financing and Debt Markets

What Seller Financing Activity Tells Us About Central Texas Retail



BY ALEXANDRIA TATEM

Alexandria is the Vice President of Investment Sales and Head of Research for Foresite Commercial Real Estate. She has a talent for sourcing data and compiling information in challenging markets.

When seller financing starts showing up with regularity in a market, most people chalk it up to creative deal-making or a sign that a buyer couldn't get conventional financing. But in commercial real estate, the story is rarely that simple and it's worth paying closer attention to what these transactions are actually telling us. On the surface, that's a financing story. Look a little deeper, and it becomes a market pricing story.

The Bid-Ask Gap Nobody Wants to Talk About

The fundamental challenge in Central Texas retail right now is a persistent gap between what sellers believe their properties are worth and what buyers are willing or able to pay in today's cost-of-capital environment. Sellers are anchored to valuations from a few years ago when the spread between cap rates and acquisition financing costs was more favorable, which ultimately drove cap rate compression. Buyers are underwriting to a different reality.

At the same time, the current interest rate environment has slowed transaction velocity, not because of a lack of buyer interest or available capital, but because deals are harder to make pencil under today's financing conditions.

Conventional lenders aren't bridging that gap. They're underwriting to current market rents, current vacancy, and current debt service coverage, and in many cases, the numbers simply don't pencil at the seller's ask price. The result is a standoff that keeps transactions from closing.

Seller financing can sometimes resolve the standoff by effectively letting the seller become the lender. By offering favorable terms such as lower rates, interest-only periods, or deferred principal, sellers can make their pricing work for a buyer even when the bank math doesn't. What looks like flexibility is actually the seller subsidizing the gap between perceived value and real market value.

A Window Into True Market Pricing

This is where seller financing becomes genuinely useful as a market signal. In a healthy, liquid transaction environment, price discovery happens through competitive bidding and straightforward financing. When seller financing becomes more common, it often means that discovery process has broken down. Buyers and sellers cannot agree on price, so they instead find alignment through deal structure and terms.

For brokers and investors paying attention, this creates an opportunity. Seller financed deals can provide insight into where assets are realistically trading, independent of what asking prices suggest. By adjusting interest rates, amortization schedules, or other terms, sellers are effectively signaling the pricing level they are willing to accept in order to complete a transaction.

Seller financing also gives sellers a path to potentially higher total proceeds over time through the collection of interest income, which can help offset pricing concessions made upfront.

That said, seller financing is not a viable option for every owner. Properties with existing debt often require that financing to be paid off before a seller financed structure can be implemented, which can limit flexibility depending on the seller's capital position.

In Central Texas specifically, certain retail submarkets are showing this pattern more than others. Secondary corridors, aging strip centers without anchor tenants, and smaller multi tenant assets in outer suburban markets are where seller financing has been most active. These are also the asset types where the bid ask gap is widest and institutional capital is least active.

The Bigger Takeaway for Central Texas Retail

Seller financing does not make a market, it reveals one. When it appears in volume, it is a sign that conventional capital and seller expectations have not yet found alignment. In Central Texas retail, that misalignment is real and has been building as rate driven pressure collides with sellers who bought or refinanced at the top of the cycle.

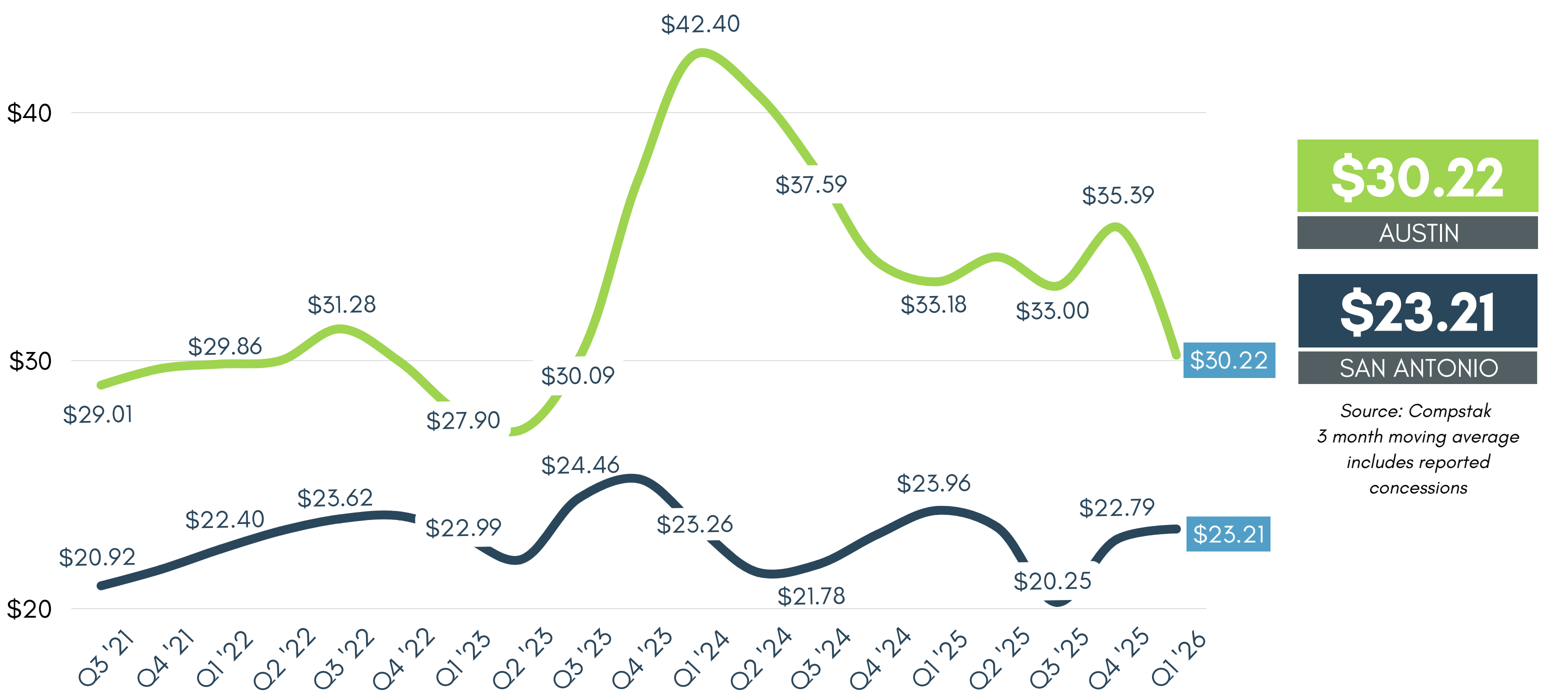
The good news for long term investors is that this type of friction tends to self correct. Either sellers adjust their expectations as time and holding costs accumulate, or buyers benefit from a more favorable rate environment that allows deals to close conventionally. In the meantime, the transactions that are getting done are providing a clearer read on where the market actually is, and seller financing remains one of the most transparent signals available.

Understanding that signal is the difference between reacting to the market and staying ahead of it.

Leasing Activity

Starting rates begin to stabilize

STARTING RENT TRENDS



Source: Compstak
3 month moving average includes reported concessions

San Antonio MSA - Tenant Inquiries

Darker areas indicate higher leasing inquiries based on inbound calls to Foresite for the year of 2026.

ABSORPTION

San Antonio's starting retail rents have continued to hold steady at around $23 per square foot. This consistency reflects a market supported by stable demand, limited new supply, and relatively balanced absorption across retail space.

In contrast, starting rents in Austin declined to $30.22, approximately 9% lower than Q1 2025, signaling a softening in pricing after prior periods of stronger growth.

Overall, leasing activity slowed in the first quarter, reflecting a more cautious approach from tenants and a general pause in decision making across both markets.

Red River Takeaways

The Foresite team returned from ICSC Red River in San Antonio with fresh intel from across the industry. From investor sentiment to AI tools to the surprising pride our own market inspired, here are the conversations that stood out.

Technology & Operations

AI & Admin

AI is moving into back-office CRE, but confidentiality guardrails are still a work in progress

Tools like Datum are allowing firms to outsource administrative functions such as lease abstracts to AI platforms. For firms wanting to keep data in-house, paid tiers of models like Claude offer an alternative. ROI is still being evaluated across the board. We expect this conversation to evolve quickly.

Data & Analytics

Placer AI and similar providers are earning more trust from investors making real capital decisions

Multiple investment groups cited Placer AI as an active part of their underwriting process, and noted it has become meaningfully more reliable than in prior years. When foot traffic data influences where capital flows, that's a tool worth paying attention to.

Industry News

Vendors and suppliers seemed to be scaling back this year

Smaller booths and fewer giveaways than in past conferences, a subtle signal of cost-consciousness across the industry.

Investment Climate

Capital Markets

Investors are in buy mode, but disciplined underwriting just makes it harder

Capital is ready to deploy. The constraint isn't appetite, it's available inventory and deals that pencil. Limited supply isn't expected to push prices meaningfully higher this year, but buyers are active and prepared to move when the right opportunity surfaces.

Fund Activity

A wave of fund resets is underway, with REITs likely as the end buyer

Many investment groups appear to have recently closed out existing funds and are launching new ones. The prevailing read on the street: those closed funds are being positioned to trade to REITs. A potential signal of portfolio rotation worth monitoring.

San Antonio

High occupancy and strong rents in San Antonio are squeezing value-add buyers

The fundamentals of the San Antonio market are working against investors who need upside to justify a deal. When occupancy is high and rents are already strong, the value-add story gets harder to tell and to underwrite.

Retail

Class B- and C retail is quietly benefiting from construction cost headwinds

Owners of multi-tenant Class B- and C retail properties noted that high construction costs are naturally limiting new supply, and that's propping up their occupancy. When developers can't build cheaply, existing product holds its position longer than it otherwise would.

Market Observations

San Antonio Moment

San Antonio's downtown drew consistent praise, especially compared to Dallas

In nearly every meeting, the team heard unsolicited commentary on how impressive downtown San Antonio has become. Attendees specifically pointed to its walkability, visual appeal, cohesive flow, and of course the Pearl. The comparison to Dallas came up repeatedly, and San Antonio came out ahead.

Market Size

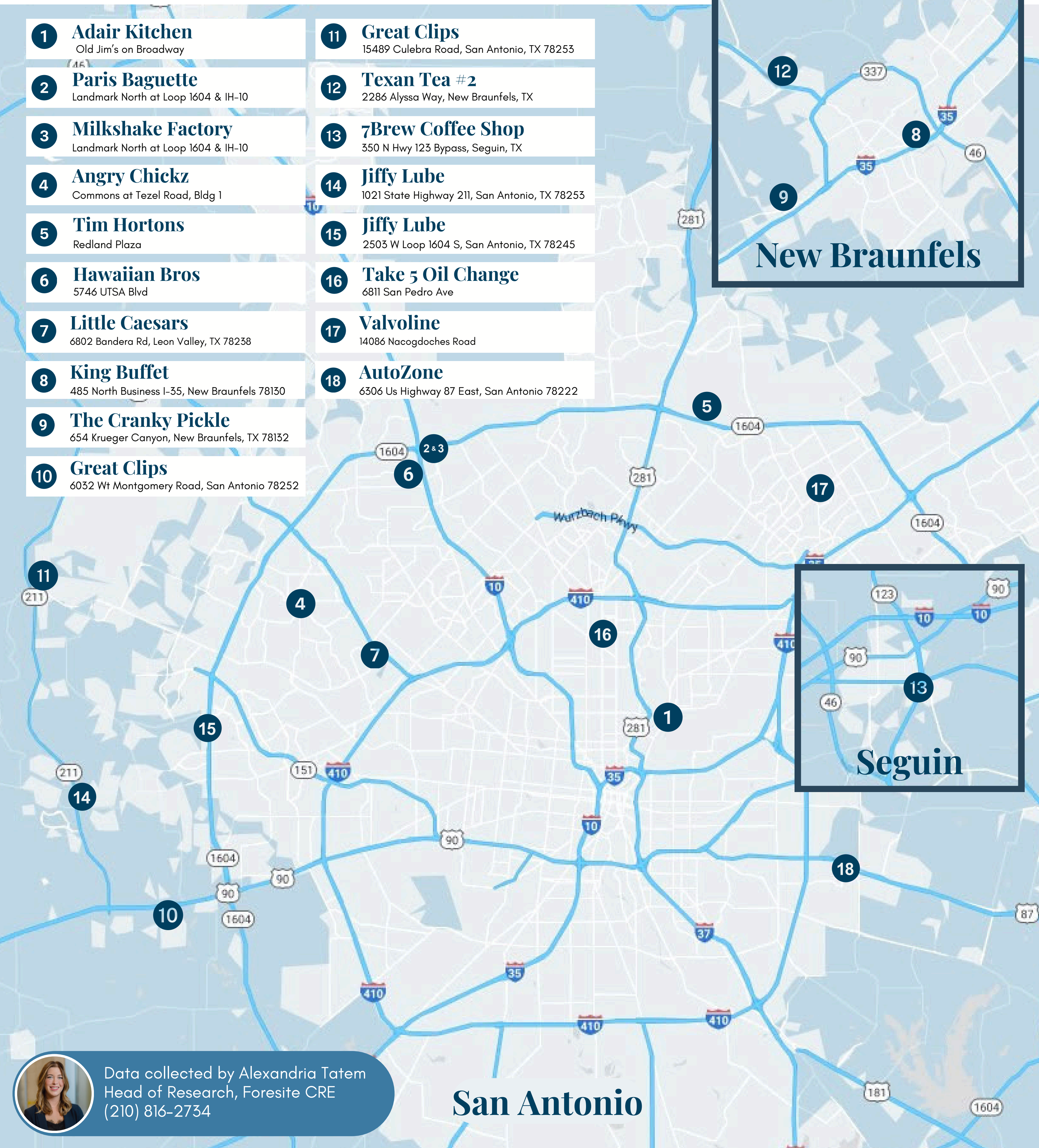
San Antonio's market scale and its income demographics surprised some attendees

Visitors frequently remarked on the city's unexpected size and the strength of its income base. Many noted that the combination of population growth and household earnings made San Antonio a more compelling market than they had anticipated.

New and Coming Soon!

New and expanding concepts in and around San Antonio and Austin

1. **Adair Kitchen**
   Old Jim's on Broadway
2. **Paris Baguette**
   Landmark North at Loop 1604 & IH-10
3. **Milkshake Factory**
   Landmark North at Loop 1604 & IH-10
4. **Angry Chickz**
   Commons at Tezel Road, Bldg 1
5. **Tim Hortons**
   Redland Plaza
6. **Hawaiian Bros**
   5746 UTSA Blvd
7. **Little Caesars**
   6802 Bandera Rd, Leon Valley, TX 78238
8. **King Buffet**
   485 North Business I-35, New Braunfels 78130
9. **The Cranky Pickle**
   654 Krueger Canyon, New Braunfels, TX 78132
10. **Great Clips**
    6032 Wt Montgomery Road, San Antonio 78252
11. **Great Clips**
    15489 Culebra Road, San Antonio, TX 78253
12. **Texan Tea #2**
    2286 Alyssa Way, New Braunfels, TX
13. **7Brew Coffee Shop**
    350 N Hwy 123 Bypass, Seguin, TX
14. **Jiffy Lube**
    1021 State Highway 211, San Antonio, TX 78253
15. **Jiffy Lube**
    2503 W Loop 1604 S, San Antonio, TX 78245
16. **Take 5 Oil Change**
    6811 San Pedro Ave
17. **Valvoline**
    14086 Nacogdoches Road
18. **AutoZone**
    6306 Us Highway 87 East, San Antonio 78222



Data collected by Alexandria Tatem
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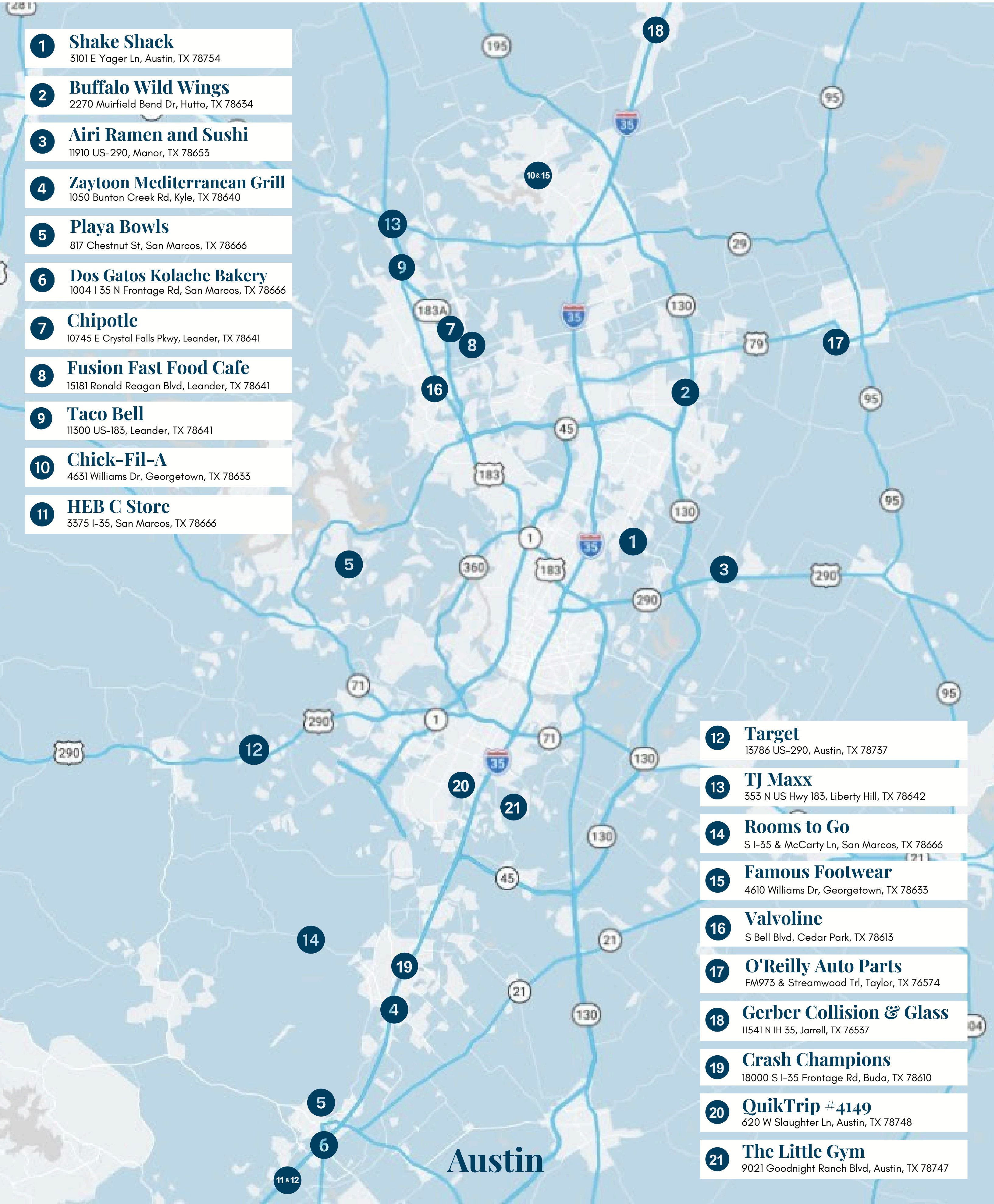
1. **Shake Shack** 3101 E Yager Ln, Austin, TX 78754
2. **Buffalo Wild Wings** 2270 Muirfield Bend Dr, Hutto, TX 78634
3. **Airi Ramen and Sushi** 11910 US-290, Manor, TX 78653
4. **Zaytoon Mediterranean Grill** 1050 Bunton Creek Rd, Kyle, TX 78640
5. **Playa Bowls** 817 Chestnut St, San Marcos, TX 78666
6. **Dos Gatos Kolache Bakery** 1004 I 35 N Frontage Rd, San Marcos, TX 78666
7. **Chipotle** 10745 E Crystal Falls Pkwy, Leander, TX 78641
8. **Fusion Fast Food Cafe** 15181 Ronald Reagan Blvd, Leander, TX 78641
9. **Taco Bell** 11300 US-183, Leander, TX 78641
10. **Chick-Fil-A** 4631 Williams Dr, Georgetown, TX 78633
11. **HEB C Store** 3375 I-35, San Marcos, TX 78666



12. **Target** 13786 US-290, Austin, TX 78737
13. **TJ Maxx** 353 N US Hwy 183, Liberty Hill, TX 78642
14. **Rooms to Go** S I-35 & McCarty Ln, San Marcos, TX 78666
15. **Famous Footwear** 4610 Williams Dr, Georgetown, TX 78633
16. **Valvoline** S Bell Blvd, Cedar Park, TX 78613
17. **O'Reilly Auto Parts** FM973 & Streamwood Trl, Taylor, TX 76574
18. **Gerber Collision & Glass** 11541 N IH 35, Jarrell, TX 76537
19. **Crash Champions** 18000 S I-35 Frontage Rd, Buda, TX 78610
20. **QuikTrip #4149** 620 W Slaughter Ln, Austin, TX 78748
21. **The Little Gym** 9021 Goodnight Ranch Blvd, Austin, TX 78747

THE STATE OF UNEMPLOYMENT

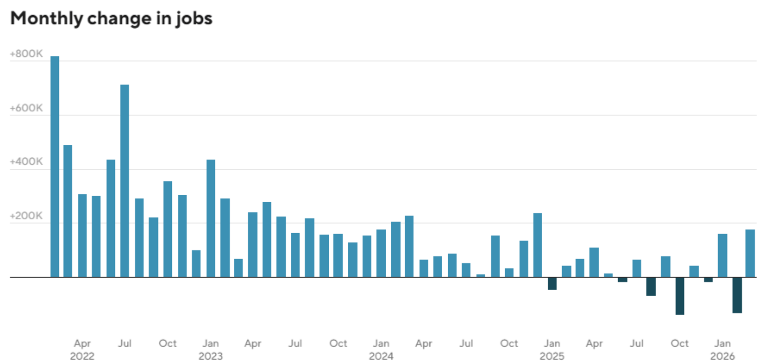
JOB GROWTH REBOUNDED IN MARCH, SIGNALING RESILIENCE IN THE LABOR MARKET DESPITE LINGERING UNCERTAINTY.

MARCH 2026

Monthly change in jobs (000's)

Source: Bureau of Labor Statistics

Apr. 2022 - Mar. 2026



Data through March 2026
Note: Data is seasonally adjusted.
Source: Bureau of Labor Statistics

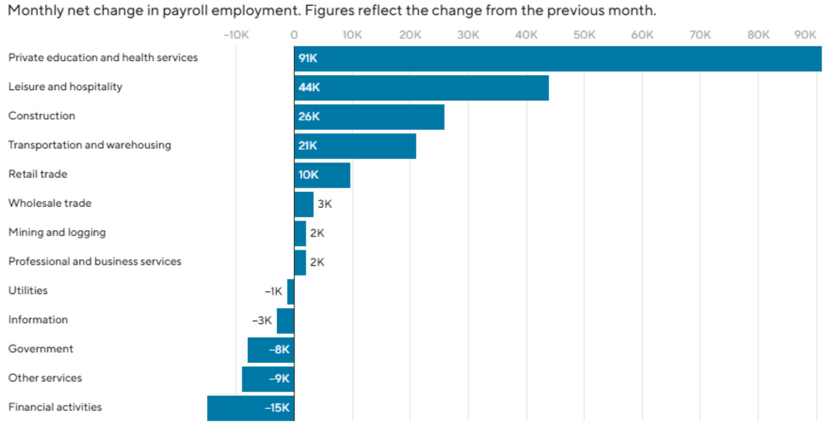
Unemployment Rate

4.3%	4.4%	3.7%	4.3%
United States	Texas *	Austin *	San Antonio *

**February rate. March data comes out May 1*

Employment change by industry

Monthly net change in payroll employment. Figures reflect the change from the previous month.



Data as of March 2026
Note: Data is seasonally adjusted.
Source: Bureau of Labor Statistics

U.S. employment increased by 178,000 jobs in March, well above the forecast of 60,000, a sharp reversal from a February that raised more than a few concerns.

The March jobs report marked a significant rebound after February's revised payroll loss of 133,000, a figure far worse than the 92,000 originally reported. Winter storms and strikes in the health care sector were cited as contributing factors to the prior month's weakness.

Job growth has been uneven this year, averaging just 68,000 jobs per month from January through March.

The health care sector led the recovery, adding 76,000 jobs in March as nurses and health care professionals returned to work following strikes earlier in the year, including more than 31,000 Kaiser workers. Construction (+26,000) and transportation and warehousing (+21,000) also posted solid gains.

Despite the headline beat, consumer confidence in the labor market remains fragile. A recent Gallup poll found that 72% of Americans said it was a bad time to find a job, up sharply from 54% a year earlier. The data presents a split picture: employers are hiring, but workers aren't feeling it.

THE LESSON *Foresite looks back at a defining moment in economic history and draws a line to something happening right now. The goal isn't to predict the future — it's to recognize the pattern*

1973: The Oil Embargo That Changed How America Shops

On October 17, 1973, the Organization of Arab Petroleum Exporting Countries announced an embargo on oil exports to the United States. The move was a response to U.S. support for Israel during the Yom Kippur War. What followed was one of the most disruptive economic shocks in American history, and it left a permanent mark on the commercial real estate landscape.

In a matter of weeks, crude oil prices quadrupled. Gas lines stretched for blocks. Inflation, which had already been climbing, accelerated sharply. Consumer confidence fell off a cliff. The U.S. economy entered a recession that lasted until early 1975, with GDP contracting and unemployment climbing above 9 percent.

For retail commercial real estate, the consequences were significant and lasting. The enclosed regional mall, already the dominant retail format of the era, suddenly faced an existential question: if consumers couldn't afford to drive, would they come? The answer, in the short term, was no. Mall traffic dropped. Discretionary retailers contracted. The energy costs of operating climate-controlled enclosed centers, previously an afterthought, became a serious operating expense concern for landlords and tenants alike.

But the embargo also accelerated structural shifts that were already underway. Developers began favoring smaller, open-air neighborhood centers close to residential density — formats that required less energy to operate and shorter consumer commutes to reach.

400%

Oil prices increase in weeks following the 1973 embargo

9%

Peak U.S. unemployment during the 1973 - 75 recession

11%

U.S. CPI inflation by 1974, a post-WWII high.

Grocery-anchored retail, already a staple of suburban development, gained further credibility as a defensive and necessity-driven product type. Strip centers and community centers oriented around everyday needs proved far more resilient than their mall counterparts.

> *"The centers that survived 1973 weren't the flashiest ones. They were the ones closest to where people lived, anchored by tenants selling things people couldn't do without."*

The lesson embedded in that era is one that serious retail CRE investors still carry with them today: in times of energy shock and economic disruption, convenience wins. Proximity to the consumer matters more than prestige. The category we now broadly call "necessity retail", grocers, pharmacies, and service tenants, hold their occupancy through cycles that hollow out discretionary-heavy centers. The 1973 embargo didn't kill retail real estate. It sorted it.

THE PRESENT

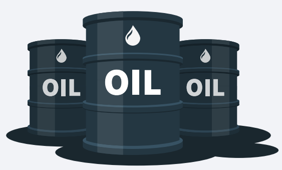
2026: A New Oil Shock and What It Means for Retail CRE

On February 28, 2026, a U.S.-led military strike against Iranian nuclear facilities triggered a rapid escalation in the Middle East. Within weeks, WTI crude oil climbed toward $100 per barrel, a roughly 50 percent increase from pre-conflict levels. Brent crude crossed $106. The price spike was immediate, visible, and personal. Texas drivers began paying more at the pump almost overnight.

The parallel to 1973 is imperfect, it always is, but the direction of pressure is familiar. Consumer sentiment, already softening from tariff-driven inflation concerns, fell further. The University of Michigan Consumer Sentiment Index dropped to 55.5 in March 2026, landing in just the second percentile of all historical readings. The Conference Board's Expectations Index has sat below the traditional recession-signal threshold of 80 since February 2025.

~50%

WTI crude price increase since the Iran conflict began Feb. 28



55.5

University of Michigan Consumer Sentiment, March 2026 - 2nd percentile historically

2.4%

U.S. CPI YoY, February 2026 - with energy costs rising MoM.

Here is where the comparison to 1973 gets genuinely instructive, and where San Antonio and Austin diverge meaningfully from the national story. Texas is not simply a consumer of energy. It is a producer. Rising oil prices have historically been a net positive for the Texas economy, supporting employment in the energy sector, filling state revenues, and sustaining the income levels of a large segment of the workforce. The Texas Comptroller distributed sales tax revenues running 2 to 2.5 percent above prior-year levels through the first quarter of 2026. Retail sales in the state are growing even as consumer sentiment softens nationally.

That divergence matters for retail leasing decisions. The tenants who are expanding in this environment are not behaving like consumers who expect a prolonged downturn. Aldi, Tractor Supply, Dollar General, and value-oriented concepts are opening aggressively. H-E-B already opened a new Culebra Road location in January 2026 and has another store under construction in Converse. In San Antonio, seven new concepts are scheduled to open at The Shops at La Cantera in 2026. These are not signs of a market in retreat.

> *Texas is not simply a consumer of energy — it is a producer. What shocks the national consumer often strengthens the Texas balance sheet.*

What the 1973 lesson does caution us about is the composition of the tenant base in any given center. Discretionary retail such as apparel, electronics, home furnishings, and entertainment is where the pressure will show up first if energy costs remain elevated and consumer confidence stays depressed. Necessity and value retail will absorb the headwind better. Landlords evaluating tenant mix, reviewing lease renewals, or making re-tenanting decisions in the coming quarters would do well to look at the 1973 playbook: weight the portfolio toward proximity, necessity, and value. Those formats outlasted the embargo. They are likely to outlast this moment too.

One important difference is worth noting. In 1973, the U.S. had no meaningful domestic energy alternative to OPEC supply. Today, Texas is the largest oil-producing state in the country. If elevated prices hold, capital investment in Texas energy will follow, and history suggests that energy booms have a way of spilling into retail sales, new rooftops, and ultimately, new demand for the kind of neighborhood centers that serve the people who do that work. The same geopolitical event that is pinching the national consumer may, over time, deepen the economic case for retail investment in Central Texas.

By Chad Knibbe, CCIM, President and Managing Partner, Director of Investment Sales, Foresite Commercial Real Estate

Retail Sales

NATIONAL TRENDS

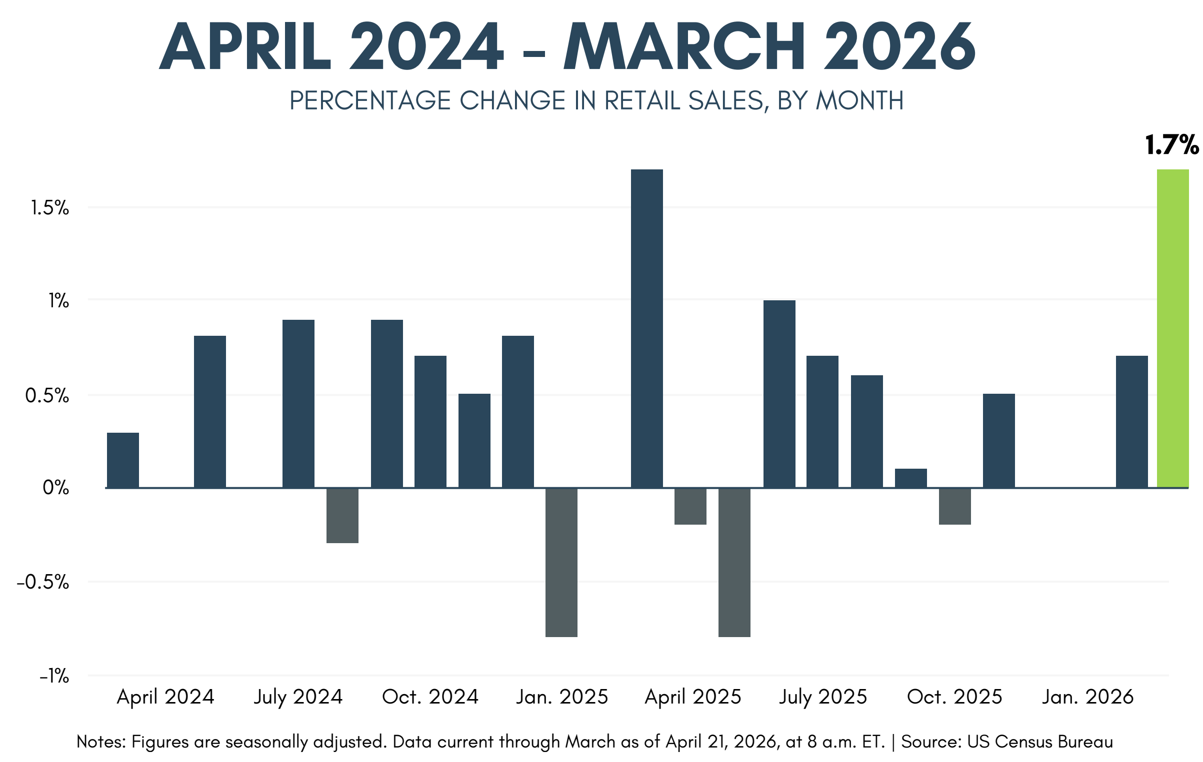
Retail sales posted a strong 1.7% increase in March, marking the fastest monthly gain in more than three years. However, much of this growth was driven by a war-related spike in gas prices rather than a broad-based surge in consumer demand. Because retail sales data is not adjusted for inflation, the 0.9% rise in the Consumer Price Index during the same period suggests that a meaningful portion of the increase reflects higher prices rather than higher purchasing volume.

When excluding gas stations, retail sales rose a more modest 0.6%, slightly below February's 0.7% gain, indicating that underlying consumer spending remains positive but measured. Even so, discretionary categories showed resilience, with furniture sales increasing 2.2%, signaling that consumers continue to spend beyond essential goods.

Looking ahead, the National Retail Federation projects retail sales will grow 4.4% in 2026 to approximately $5.6 trillion, reinforcing expectations for continued, albeit uneven, consumer-driven expansion.

> **Consumers remain resilient, but they are navigating a complicated environment.** The underlying fundamentals are still solid, but we are seeing a softening in the labor market and uncertainty about the direction of the economy.
>
> **The National Retail Federation Chief Economist Jack Kleinhenz**

- Total U.S. Retail Sales for the quarter were 3.7% above the same period a year ago. March sales are up 4.0% year over year.
- Month over month, March sales were up 0.7% from February, and February sales were 0.6% higher month over month.

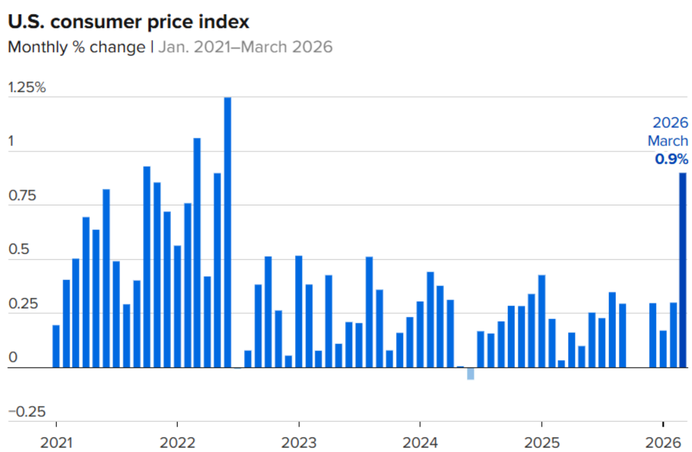


Key Indicators

CONSUMER PRICE INDEX

The Consumer Price Index (CPI) rose by 0.9% year-over-year in March. Over the last 12 months, the all items index increased 3.3 percent before seasonal adjustment. "Core" inflation, which excludes food and energy, accelerated in March 2026, a notable increase from February and indicative of renewed pricing pressure to start the year. While inflation remains influenced by energy-related volatility, underlying price growth across core goods and services suggests that cost pressures are not limited to a single category.

Energy prices were the biggest driver of inflation in March, rising 10.9% overall, with gasoline alone jumping 21.2% and accounting for the majority of the monthly increase in headline inflation. Shelter also continued its steady climb, up 0.3% for the month, showing that housing-related costs remain sticky even as other categories fluctuate.



Source: U.S. Bureau of Labor Statistics

Food prices were flat overall, but that masked some movement underneath the surface. Food away from home rose 0.2%, while grocery prices dipped 0.2%, essentially offsetting each other.

Outside of those core categories, there were mixed trends. Prices increased in areas like airfare, apparel, household furnishings, education, and new vehicles, pointing to some continued cost pressure in discretionary and service-related spending. However, there was some relief in medical care, personal care, and used vehicles, where prices declined over the month.

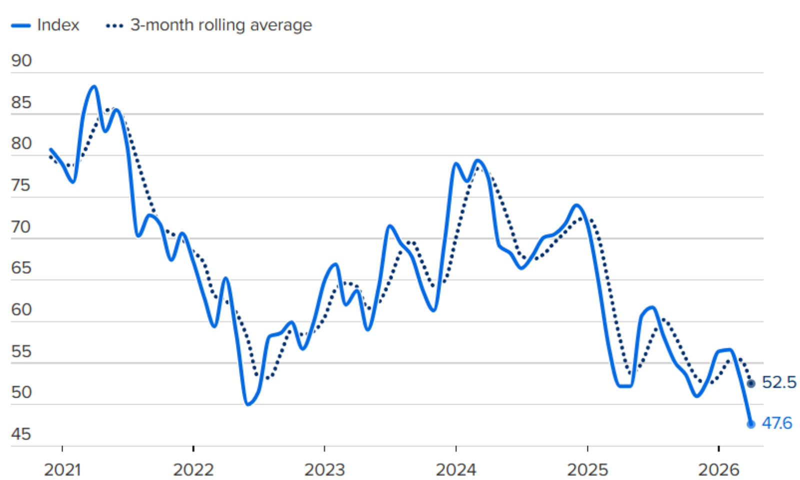
CONSUMER SENTIMENT

The University of Michigan Consumer Sentiment Index fell to a record low of 49.8 in April 2026, down from 53.3 in March and the weakest reading in the survey's 70-plus-year history. The decline reflects ongoing pressure from elevated inflation, higher gas prices, and increased uncertainty tied to the conflict in Iran, with consumers reporting weaker personal finances and more challenging buying conditions.

Sentiment has been broadly weak, with lower-income households experiencing the most strain as higher prices continue to erode purchasing power. The latest reading marks a historic low across decades of economic and geopolitical disruptions, including prior recessions, inflationary periods, major crises, and the pandemic.

UNIVERSITY OF MICHIGAN INDEX OF CONSUMER SENTIMENT

MONTHLY | JAN. 2021–APRIL 2026



Source: University of Michigan Surveys of Consumers

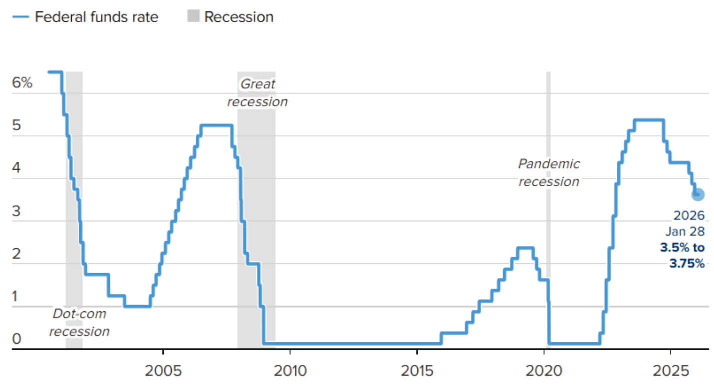
Index Rates

THE FED

The Federal Reserve maintained a cautious "wait-and-see" stance, holding interest rates steady as geopolitical tensions in the Middle East drove up energy prices and inflation. March projections pointed to a median of just one rate cut for 2026, shifting away from earlier, more aggressive easing expectations.

"Available indicators suggest that economic activity has been expanding at a solid pace. Job gains have remained low, and the unemployment rate has shown some signs of stabilization. Inflation remains somewhat elevated." **the Fed statement said.**

Federal Reserve keeps rates steady for its first meeting of 2026



Note: From December 2008 to present, the chart reflects the midpoint of the Federal Reserve's target range.
Chart: Gabriel Cortes and Luke Fountain / CNBCSource: Federal Reserve Bank of New York
Target rate as of Jan. 28, 2026

INDEX RATES
MARCH 2026

3.96%	3.66%
5- YEAR TREASURY	30 DAY AVG SOFR
4.32%	**3.91%**
10- YEAR TREASURY	10-YEAR SWAP

INDEX RATES
MARCH 2025

4.08%	4.34%
5- YEAR TREASURY	30 DAY AVG SOFR
4.33%	**3.79%**
10- YEAR TREASURY	10-YEAR SWAP

COMMERCIAL - LIFE COMPANIES

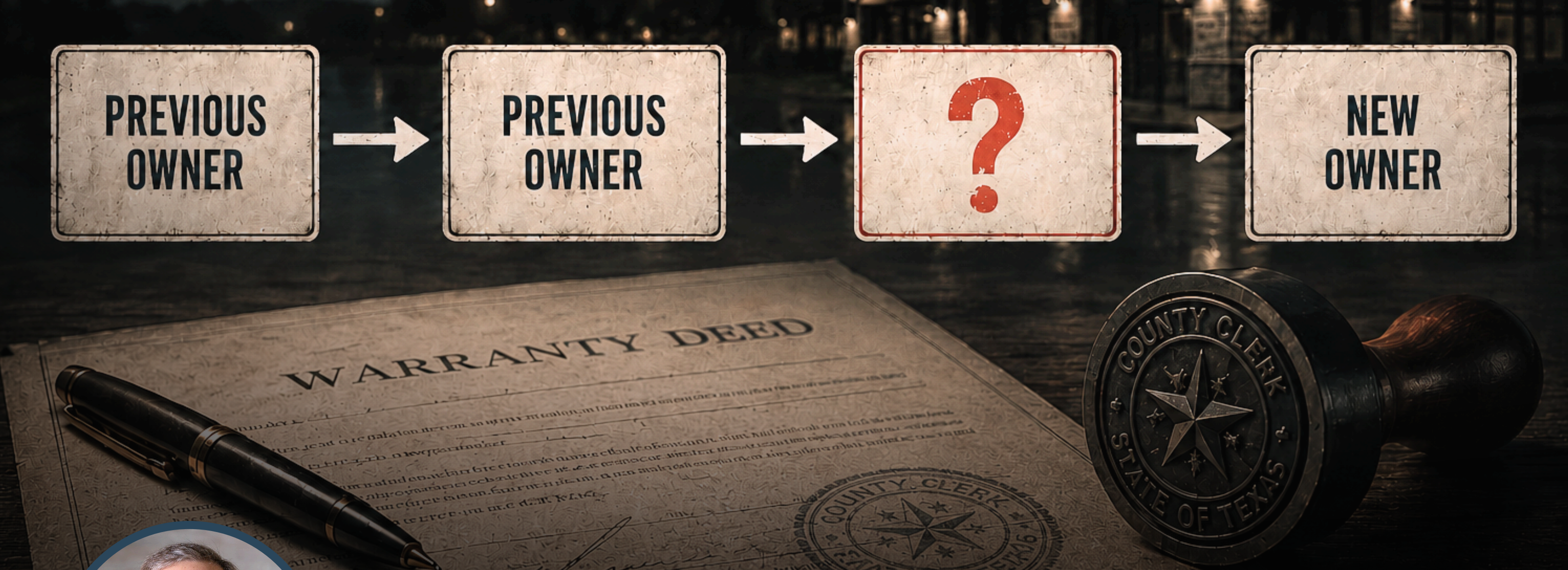
TERM	AMORTIZATION	LTV	SPREAD	RATE
5 - YEAR	25-30	60% - 75%	160-220	5.55%-6.15%
10 - YEAR	25-30	50% - 65%	150-190	5.80%-6.20%
10 - YEAR	25-30	60% - 75%	160-220	5.90%-6.50%
15 - YEAR	Fully Amortizing	60% - 75%	160-220	5.90%-6.50%

COMMERCIAL - CMBS

TERM	AMORTIZATION	LTV	SPREAD	RATE
5 - YEAR	30	65% - 75%	250-300	6.45%-6.95%
10 - YEAR	30	65% - 75%	225-275	6.55%-7.05%

Source: Northmarq
March 25, 2026

TITLE FRAUD



BY BARRETT LINBURG

Barrett Linburg is Co-CEO and co-founder of Savoy Companies, a vertically integrated Texas multifamily real estate platform encompassing three Savoy brands.

In Texas, a criminal can steal your $6,000,000 building for $30 in cash.
No ID required. No background check. Just a forged signature and a trip to the county clerk.
In 2022, this happened to two of our buildings. If you own real estate, you are a target.

How the Texas Recording System Works Against You

The Texas county recording system operates on a "notice" basis. The clerk's job is to record documents — not verify them.

A criminal created a forged deed for two of our assets. They used a notary stamp cut from a separate public record and sent the documents through a courier. The courier handed over the paper and paid $30 in cash. The clerk accepted it. No driver's license. No signature check.

Within seconds, the public record showed a Delaware LLC as the owner of my property. Six million dollars in equity vanished from the legal chain of title.

What Criminals Do Next

Once a criminal controls the deed, they have two moves. They sell the property to an unsuspecting buyer and disappear with the cash — or they take out a hard money loan against the asset, collect the proceeds, and vanish. Either way, they are gone before you find out.

I found out during a refinance. My title company called with a question: "Why did you quitclaim these buildings to a new entity?"

I hadn't.

I contacted the Dallas Police Department, the FBI, and the Texas Secretary of State.

Every agency gave the same answer: they were overwhelmed with this type of fraud and did not have the resources to pursue it.

The criminals hid behind Delaware shells and registered agents. The county takes cash, so there is no bank trail. There is no ID requirement, so there is no face on camera.

Your Title Policy Does Not Cover This

Most investors assume their title policy covers deed fraud. It does not.

Standard title insurance covers defects that existed before you closed. It guarantees you received a clean deed at purchase. It does nothing for crimes committed after the fact.

This is a gap in your risk management you probably did not know you had.

What It Took to Fix

It took 90 days of legal work. The fraudulent owner was a ghost. I had to file a lawsuit to quiet the title, spent $20,000 in legal fees, and secured a default judgment because the criminals never appeared in court. I won. But I am out $20,000 and three months of sleep.

Who Criminals Target

Criminals focus on three categories of property: raw land, free-and-clear buildings, and estate properties. A mortgage acts as a natural tripwire because banks flag ownership transfers. If you own your assets outright, you have no automatic warning system.

What I Did After This Happened

Set up property alerts.

Most counties offer a free service that emails you when a document is recorded against your parcel number.

Sign up for every asset you own. It costs nothing.

Audit your entities.

Make sure your Secretary of State filings are current. Criminals actively search for lapsed registrations and dormant entities as indicators of an unmonitored owner.

Push for policy change.

State legislatures are beginning to act, but the law must require a government-issued ID to record any transfer of real property. The fact that it does not is indefensible.

Protect Yourself from Title Fraud

Set up Property Alerts

Receive notification anytime a document is recordedagainst your property.

Audit Your Entities

Make sure that your Security of State filings are current.

Push for Policy Change

Support identity verification requirements for property transfers.

Investment Sales Specialists

Experience, **focus** and **creativity** is what makes Foresite Investment Sales so unique. Coming together from large firms to form our team, we offer **decades of experience and a national reach**. Having closed over 250 sale transactions across 15 states in every primary product type, our team has the expertise to maximize value for our clients in any market condition.

Chad Knibbe, CCIM

Principal / Co - Owner

Chad was a key player in the launching of Foresite in 2014 and later founded the investment sales division of Foresite Commercial Real Estate in 2018.

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Daryl Lange

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Daryl brings over 20 years of hands-on experience as a commercial broker and development associate.

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Stephen has worked in real estate for more than a decade and was a member of the #1 retail team in the central Texas Region.

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Alexandria Tatem

Head of Research / Associate VP

Alexandria Tatem joined Foresite as an Investment Sales Assoc. and was quickly promoted to Head of Research. She has a talent for sourcing data and compiling information in challenging markets.

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Xavier Alvarado is a retail investment sales specialist focusing exclusively on shopping centers and net-leased properties.

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Kevin Gumprecht

Investment Sales Associate

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SAN ANTONIO & AUSTIN INVENTORY

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Managing Broker

Zach Parra
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Head of Brokerage Operations

Donna Havel
Operations Manager

Nicole Mendoza
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Louis "Lex" Lutto III
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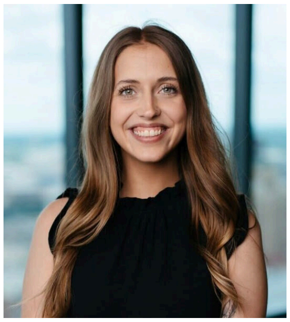
Miranda Henry
Senior Associate

Tristen Palori
Senior Associate



Madison Lang
Associate

Kara Walters
Associate

Joe Houston IV
Associate

Jason Nguyen
Inbound Sales Associate

Property Management Team

More than just answering calls and bookkeeping, **our Property Management division adds value by discovering opportunities**. We offer our clients a **visualization of trends** occurring within their property and submarket. As investment sales brokers we understand how important this information is to investors and we aim to share that with our clients in an easy and quick to read format.

Nancy Braun, , RPA®

Director of Property Management

Lisa Jimenez

Director of Accounting

Kraig McCoy

Associate Director

Craig Slaughter

Associate Director

Donna Weidow, CPM®

Property Manager

Cindy James, RPA®

Property Manager

Dianna Bolch

Property Manager

Rachel Alton

Property Manager

Carmen Martinez

Property Management Coordinator

Amanda Govaere

Senior Property Accountant

DezaRae Garcia

Property Accountant/Administrator

Melisa Esparza

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Genevieve Resto

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Maintenance Technician

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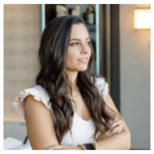
Fund Formation
Don Tepman
@StripMallGuy

Raising capital, structuring funds, and understanding investor appetite.



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Antonia Botero
MADD Project

How design drives value and feasibility in developments.

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Michael Huseby
The Investment Lawyers

Entity structures, tax implications, and protecting your interests.

Multifamily Development
Rick Holland
Fulton Property Group

Multifamily project types and the market data used to evaluate.

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FORESITE RESEARCH SERVICES

UNIQUE REPORTS

Our Investment Sales Team compiles unique reports each quarter that you won't find anywhere else.

VALUABLE INFORMATION

This valuable information will help you understand national and local economic trends, investment market intel and what it all means for your portfolio.

TRANSPARENCY

Market reports, quarterly investor reports, and rent surveys performed by agents, not data aggregators, are some of the ways we approach the business differently. Our clients deserve to know what is happening so they can be the first to respond to changes.

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