TEEL
VALUATION GROUP

ECONOMIC OUTLOOK

July 2026

Allocating Capital and Manpower: Cross-Sectors, Cross Metros

In collaboration with John E. Silvia, Ph.D.

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ABOUT TEEL VALUATION GROUP

- Founded in 1983 by Gerald A. Teel, built on rigorous analysis, independence, and high professional standards
- Over 40 years of growth from a local practice to a regional firm with national coverage
- Serves a diverse client base across the U.S.
  - Financial institutions
  - Attorneys
  - Government agencies
  - Estates and trusts
  - Corporations
  - Private investors

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ABOUT JOHN E. SILVIA, Ph.D.

- Over two decades as Senior Economist for the U.S. Senate Joint Economic Committee and the U.S. Senate Banking Committee

- Founder of Dynamic Economic Strategy and former chief economist for Wells Fargo, where he led global economic research and strategy for two decades

- Recognized by Bloomberg and Focus Economics as one of the nation's top forecasters. Known for his accurate and accessible assessment of growth, inflation, and interest-rate trends

John E. Silvia, Ph.D.
Dynamic Economic Strategy | Former Chief Economist, Wells Fargo

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DR. SILVIA'S KEY TAKEAWAYS

- Employment trends provide insight into where businesses and people are moving
- Texas metros continue to outperform national trends in professional and business services
- Lubbock leads professional and business services job growth among Texas markets
- Tampa remains above national growth trends, while New Mexico markets continue to face slower growth
- Austin and Houston lead financial services employment growth
- Leisure and hospitality gains remain concentrated in select markets, including Lubbock and Santa Fe

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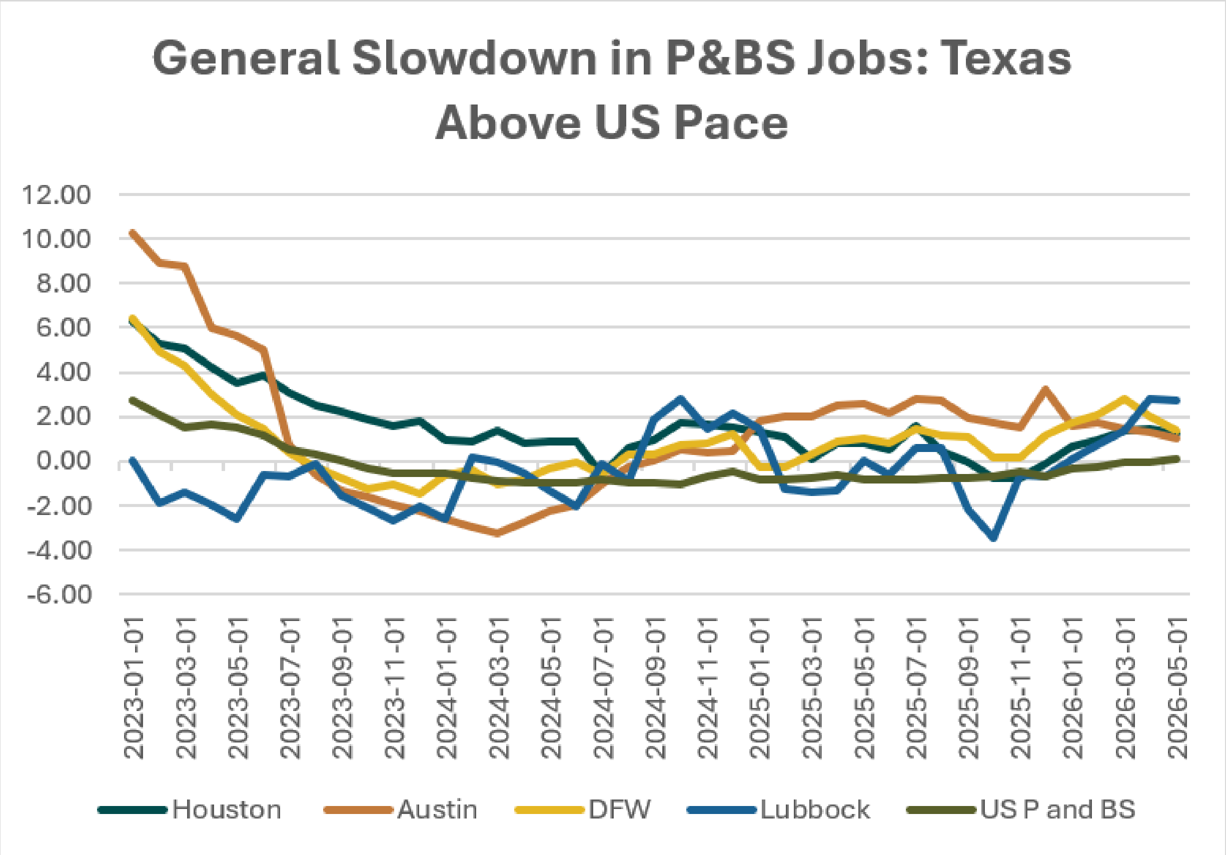
WHERE ARE PEOPLE AND BUSINESSES GROWING?



Texas metros continue to expand and have generally outpaced the national rate, though growth has moderated from 2023 levels.

Notably, Lubbock leads job gains among Texas markets, highlighting continued business expansion beyond the major metros.

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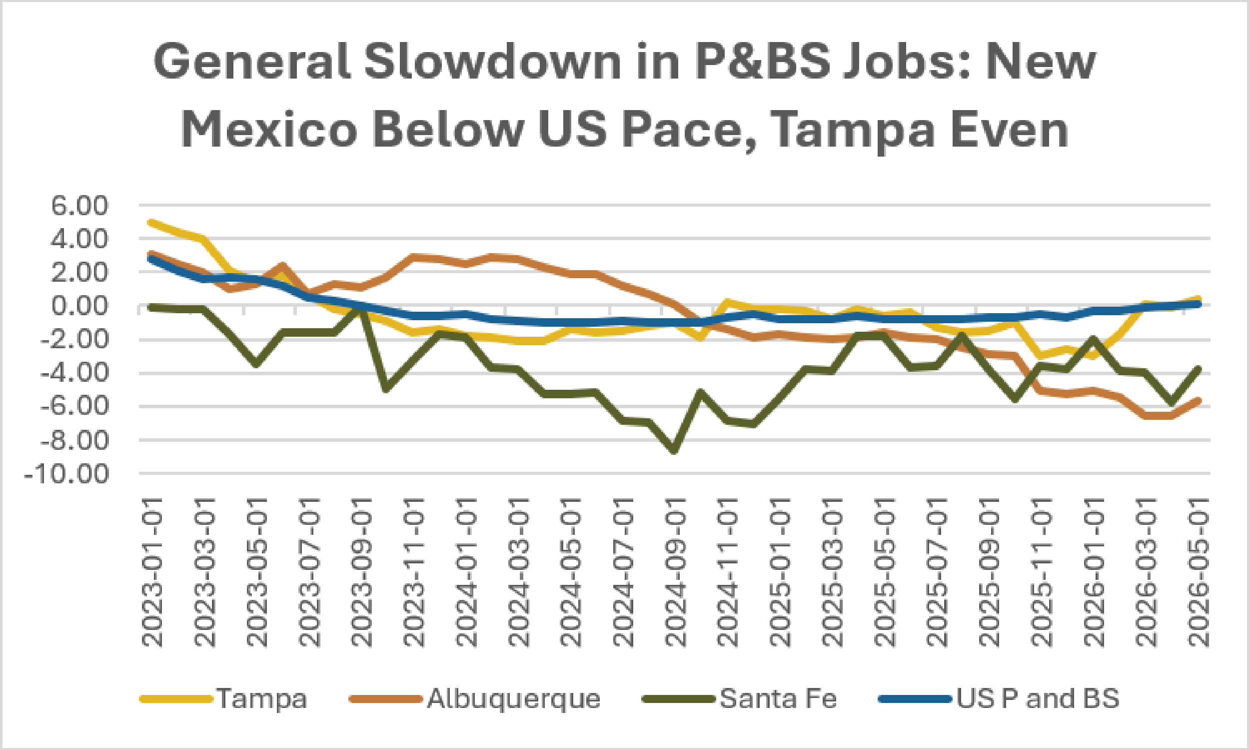
NEW MEXICO TRAILS U.S. PACE WHILE TAMPA REMAINS COMPETITIVE



Employment growth in New Mexico's professional and business services sector continues to lag the national pace, while Tampa has remained generally in line with or modestly above U.S. trends.

These differences reinforce the importance of evaluating market conditions at the local level rather than relying solely on national performance.

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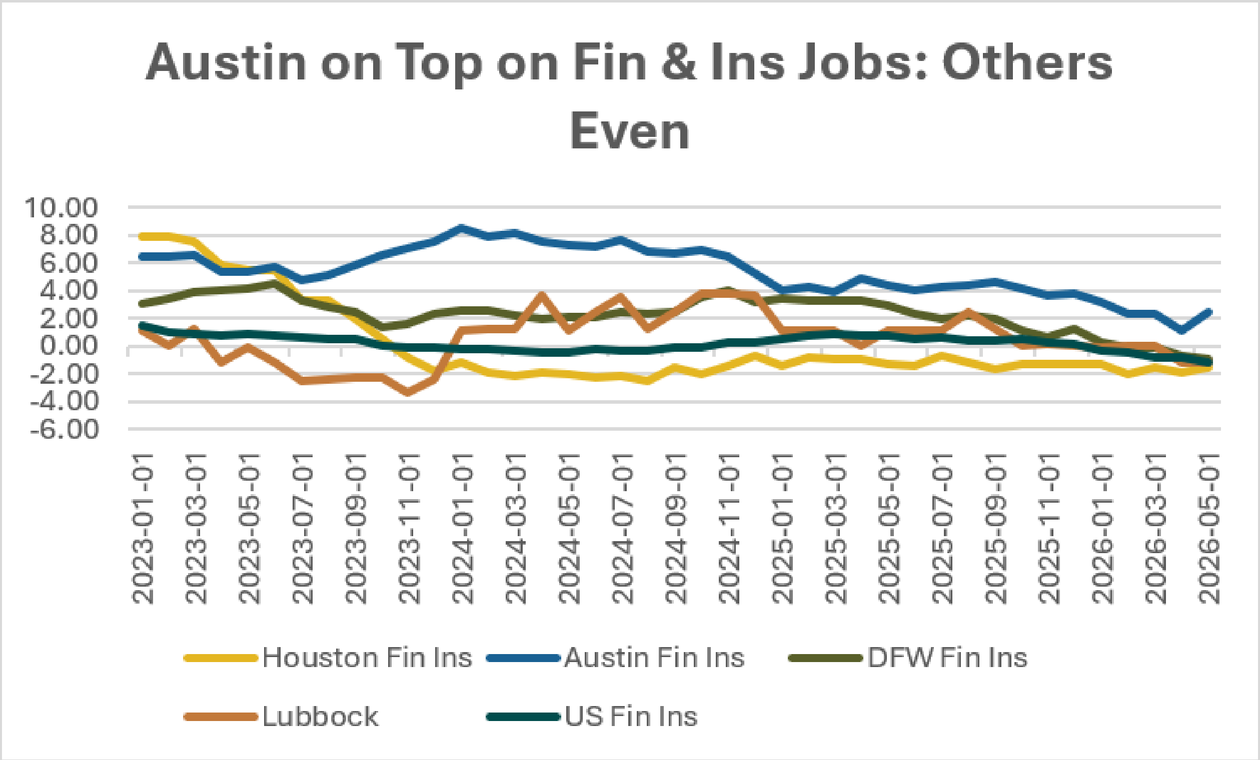
AUSTIN CONTINUES TO LEAD FINANCIAL SERVICES GROWTH



Austin continues to demonstrate the strongest financial services employment growth among the markets shown. Houston has remained comparatively stable, generally tracking near the national growth rate with periods of modest outperformance.

Together, these markets reflect the continued strength of Texas' financial services sector.

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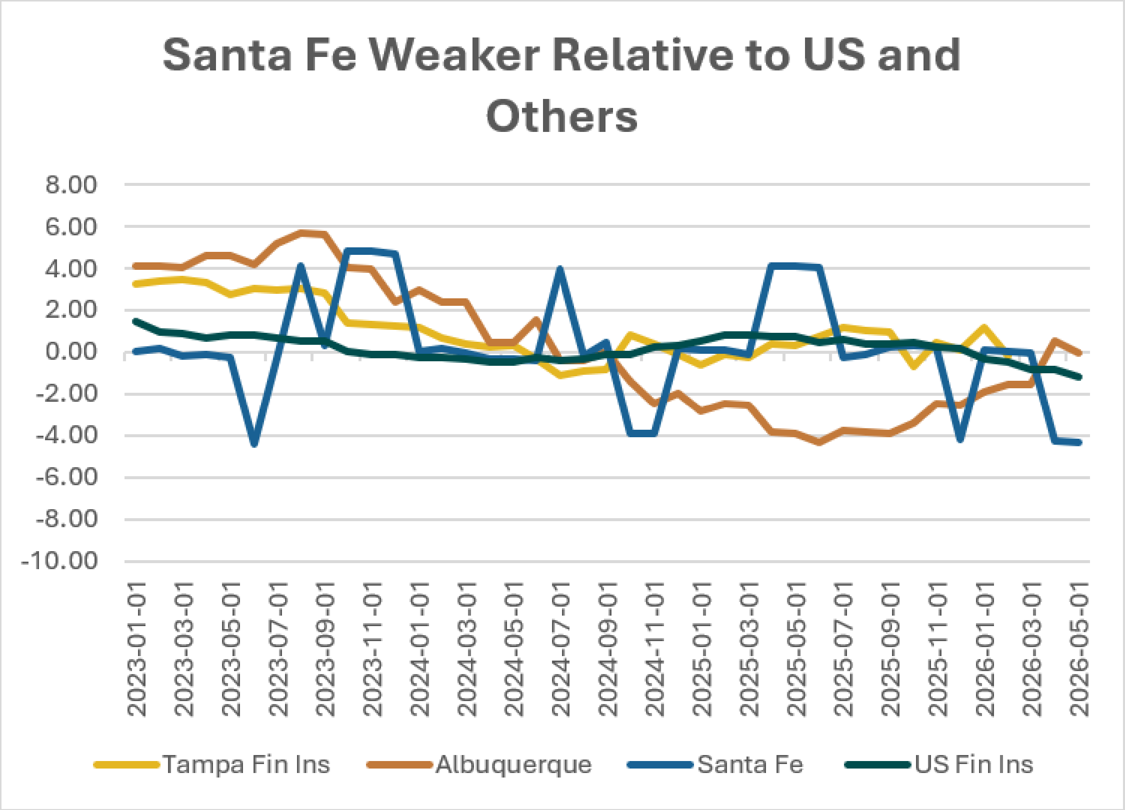
MIXED RESULTS ACROSS REGIONS



Albuquerque remains steady and continues to outperform the national decline in financial services employment.

Tampa experienced modest slowing, while Santa Fe saw a sharper decrease in financial services jobs.

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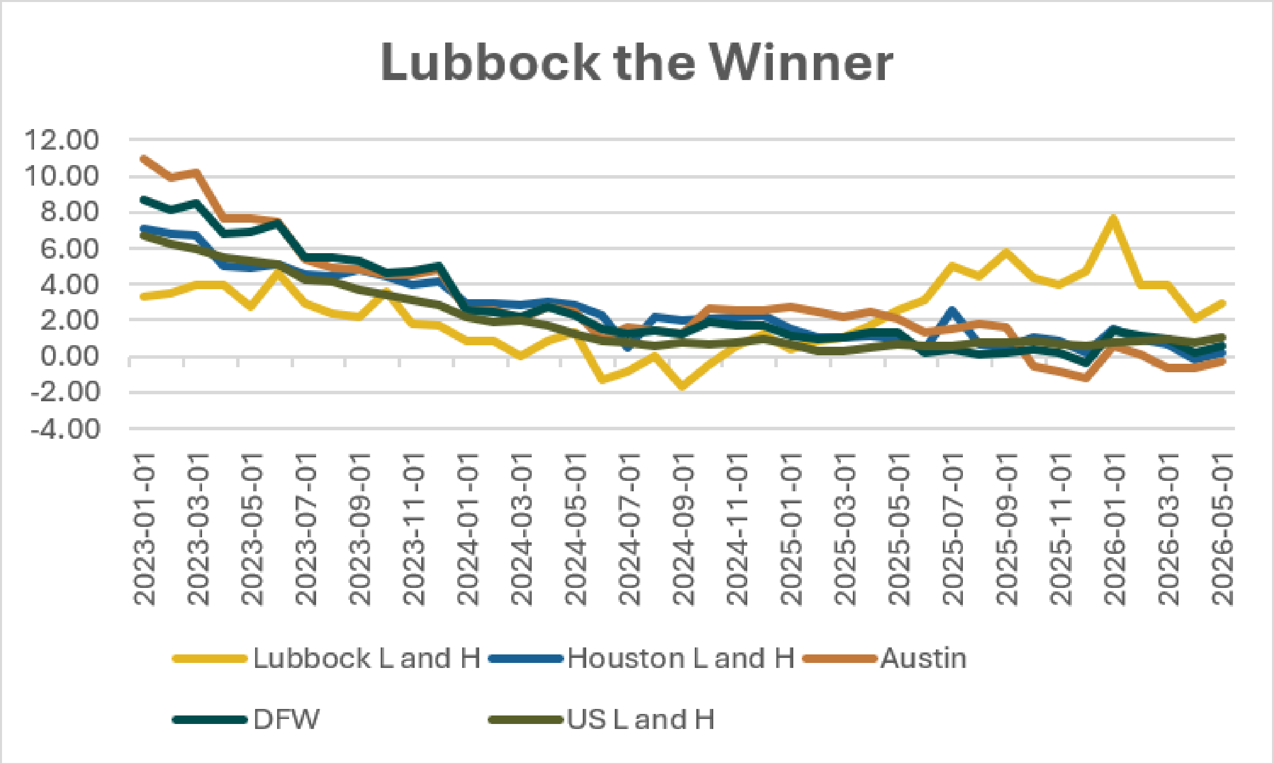
LUBBOCK LEADS TEXAS MARKETS



Houston and Dallas-Fort Worth continue reporting leisure and hospitality job gains.

Lubbock has shown the strongest growth in this category since early 2025, while Austin experienced declines.

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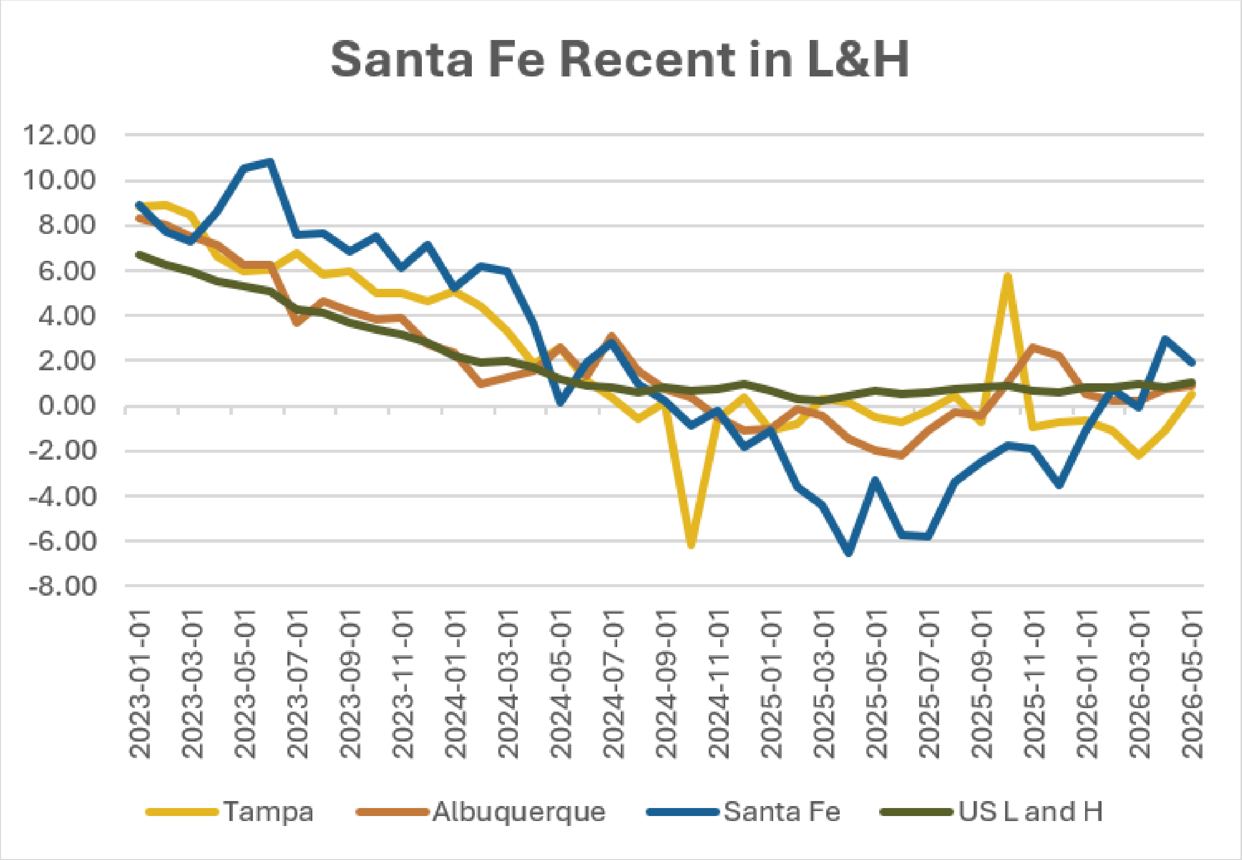
GROWTH OUTSIDE TEXAS



Santa Fe has experienced greater volatility than the other markets, reflecting periods of both stronger gains and sharper declines.

Albuquerque and Tampa have generally exhibited more stable employment trends, highlighting the differing pace of recovery across regional leisure and hospitality markets.

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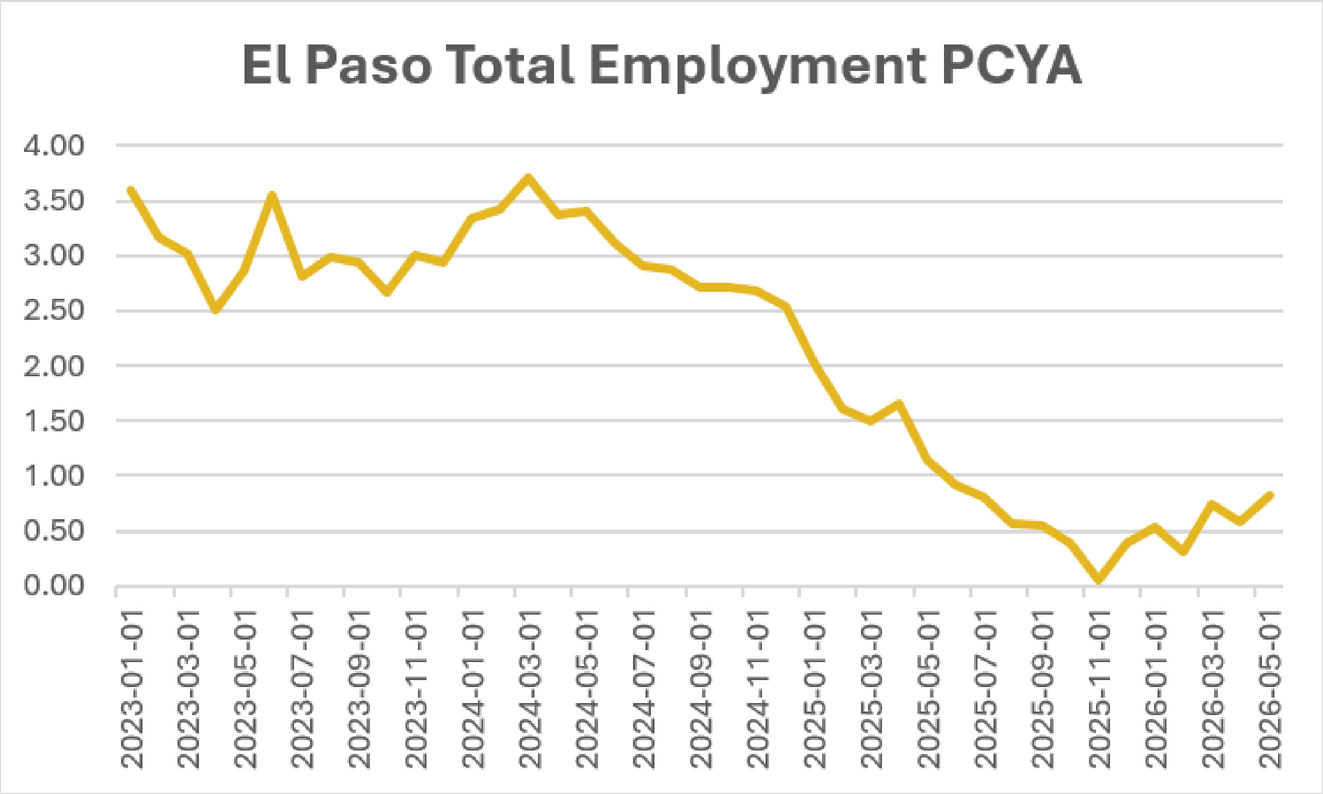
EL PASO EMPLOYMENT



El Paso total employment has cooled markedly, decelerating from year-over-year growth above 3.5% in early 2023 to below 1% by late 2025 before showing tentative signs of stabilization in early 2026.

Because sector-level monthly data is not published for the El Paso metro, total employment is presented here to keep the market comparable to the others in this outlook.

COMMERCIAL REAL ESTATE IMPLICATIONS

WHAT THIS MEANS FOR CRE

- Job growth influences demand across office, retail, hospitality, and specialized property sectors
- Industry performance varies significantly between metros
- Local employment trends provide important context for investment and valuation decisions
- Market-specific analysis remains essential as economic conditions shift

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HOW TVG PUTS THIS TO WORK

TVG translates macroeconomic context like Dr. Silvia's into defensible value conclusions through market-specific analysis grounded in observed evidence.

- Regional employment analysis tied to local market conditions
- Sector-level insights across office, retail, industrial, hospitality, and specialized property types
- Market-specific research supporting credible valuation conclusions
- Analysis grounded in observed economic data, not broad assumptions

Let's talk.

We welcome the opportunity to discuss what these trends mean for your portfolio, your assignment, or your market.

Schedule a virtual or in-person briefing with the TVG team and Dr. Silvia.

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The economic views expressed in this outlook are those of Dr. John E. Silvia and Dynamic Economic Strategy. They are general in nature, do not constitute a forecast adopted by Teel Valuation Group, and are not relied upon in any specific TVG valuation assignment. Each TVG appraisal reflects conditions as of its stated effective date.