

2025



HOUSTON
BOMA

INDEX

Q1 INDUSTRIAL



SUMMARY

Houston's industrial real estate market remained stable in Q1 2025, supported by balanced fundamentals and ongoing development. Vacancy rates inched upward to an average of 6.05%, reflecting delayed tenant move-ins and a steady flow of new deliveries.

Net absorption varied, with CBRE reporting 791,664 SF, Cushman & Wakefield citing 444,000 SF, and Transwestern noting a stronger 2.2 million SF, pointing to mixed demand signals early in the year.

Construction activity continues to be a defining feature of the market. Developers have over 13.4 million square feet underway, with the Southeast and Northwest submarkets leading new development pipelines. Much of this construction remains speculative, as developers respond to tenant demand for newer, high-quality space. Meanwhile, average asking rents remain elevated despite slight quarterly declines in pricing.

While quarterly absorption softened compared to recent highs, the outlook for 2025 remains optimistic. Continued investment at the Port of Houston and solid employment growth in industrial-using sectors suggest a resilient demand base. The region is expected to benefit from reshoring trends, logistics-driven expansion, and tight development discipline moving forward.



THE STATISTICS



Submarket	Inventory (in Square Feet)	Overall Vacancy	Under Construction (in Square Feet)
Inner Loop	23,569,058	5.16%	0
Southeast	127,239,096	7.04%	3,767,987
Northwest	149,511,570	4.62%	3,545,548
North	109,943,017	5.86%	1,515,753
West	43,294,248	10.32%	417,117
Southwest	78,603,568	4.99%	1,716,499
Northeast	43,167,892	8.17%	1,593,017
South	42,729,986	4.55%	937,742
Totals	618,058,434	6.05%	13,493,663

Average Asking Rental Rates (Monthly Per Square Foot)

CBRE (Triple Net, Class A Warehouse/Dist Only).....\$0.61

Cushman & Wakefield (All Lease Types/Classes).....\$0.62

Transwestern (Triple Net Leases, All Classes).....\$0.74

Sources:

[CBRE Marketview, Houston Industrial Q1 2025. Houston: CBRE, 2025.](#)

[Cushman & Wakefield Marketbeat Houston Industrial Q1 2025. Houston: Cushman & Wakefield, 2025.](#)

[Transwestern Houston Industrial Market Q1 2025. Houston: Transwestern, 2025.](#)