

2025



HOUSTON  
BOMA

# INDEX

## Q1 OFFICE



# SUMMARY

Houston's office market in Q1 2025 continued to reflect a bifurcated recovery, shaped largely by tenant demand for high-quality, amenity-rich buildings and ongoing space consolidation across aging properties.

According to data compiled from CBRE, Cushman & Wakefield, JLL, and Transwestern, the metro area's overall vacancy rate averaged 27.4%, while weighted regional averages ranged from under 10% in Northeast and Southeast Houston to over 30% in submarkets such as FM 1960 and Westchase. Direct vacancy rates, which exclude sublease space, averaged 23.9% metro-wide, with the most acute oversupply still concentrated in older Class B and C inventory. Houston's newest trophy assets continue to outperform, averaging a 5.6% vacancy rate according to Transwestern.

While citywide absorption remained negative—especially in submarkets like Westchase, West Belt, and the North Houston District—there were pockets of healthy demand, including the Energy Corridor, which saw strong leasing activity and 308,000 square feet under construction. Asking rents remained stable, though rent levels varied widely by location and asset quality. The Inner Loop region maintained the highest weighted average asking rent at over \$35 per square foot, boosted by top-tier buildings in Downtown and Greenway Plaza.

Despite lingering headwinds, the market is beginning to stabilize, supported by an increase in tenant demand that will help build leasing activity momentum through the remainder of 2025.





# THE STATISTICS

Submarket	Inventory (in Square Feet)	Overall Vacancy	Direct Vacancy	Average Asking Rental Rates	Under Construction (in Square Feet)
Inner Loop	92,378,036	27.92%	23.79%	\$35.30	143,000
Southeast	6,774,045	15.96%	10.62%	\$23.56	80,000
Northwest	13,104,633	34.04%	25.67%	\$15.31	0
North	19,758,009	30.65%	30.34%	\$22.09	0
West	42,360,128	27.92%	24.80%	\$16.62	308,000
Southwest	11,421,781	22.20%	21.03%	\$19.57	0
Northeast	2,087,418	4.92%	4.86%	\$17.41	0
<b>Totals</b>	<b>187,884,050</b>	<b>27.43%</b>	<b>23.90%</b>	<b>\$26.52</b>	<b>531,000</b>

Sources:

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

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

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