

2025



HOUSTON  
BOMA

# INDEX

## Q2 INDUSTRIAL



# SUMMARY

During the second quarter of 2025, Houston's industrial property market remained very active, with robust construction and healthy tenant demand reported across the major brokerages.


The development pipeline expanded for the third consecutive quarter, pushing Houston's industrial market to third in the nation in active construction. New construction totaling 4.8 million square feet began during the quarter, led by the Southeast and Northwest corridors, resulting in a total of roughly 14.5 million square feet underway. Cushman & Wakefield notes that, although the majority of projects are speculative developments, build-to-suit activity is up over 115 percent, year-over-year.

The Southwest and Northwest submarkets accounted for nearly 60 percent of the 4.3 million square feet of space that came online in the second quarter—the highest quarterly total the market has seen in over a year. Even as construction deliveries accelerated, vacancy fell slightly, and overall asking rents increased. Absorption and leasing also improved significantly, lifting confidence that the market can digest the growing pipeline.

Business leaders began the quarter concerned that tariff increases would stifle trade, but anxieties eased as trade war rhetoric softened. The Port of Houston cargo volume actually increased, ending the quarter up 4.4% year-over-year. Houston's growing population, expansion of manufacturing and distribution, and its dynamic port lead experts to predict strong tenant demand and tightening availability through 2025.



# THE STATISTICS



Submarket	Inventory (in Square Feet)	Overall Vacancy	Under Construction (in Square Feet)
Inner Loop	23,385,188	4.25%	251,444
Southeast	127,074,903	7.10%	4,983,431
Northwest	149,371,905	4.15%	4,325,212
North	111,247,214	5.91%	1,870,380
West	42,963,816	9.04%	1,258,591
Southwest	79,551,441	5.86%	1,054,814
Northeast	43,794,068	8.67%	1,248,369
South	43,116,441	4.65%	2,198,565
<b>Totals</b>	<b>620,504,977</b>	<b>5.99%</b>	<b>17,023,178</b>

## Average Asking Rental Rates (Monthly Per Square Foot)

CBRE (Triple Net Leases, All Classes).....	\$0.85
Cushman & Wakefield (All Lease Types/Classes).....	\$0.62
Transwestern (Triple Net Leases, All Classes).....	\$0.80

Sources:

CBRE Marketview, Houston Industrial Q2 2025. Houston: CBRE, 2025.

Cushman & Wakefield Marketbeat Houston Industrial Q2 2025. Houston: Cushman & Wakefield, 2025.

Transwestern Houston Industrial Market Q2 2025. Houston: Transwestern, 2025.