

2025



HOUSTON
BOMA

INDEX

Q2 OFFICE



SUMMARY

Houston's office market showed cautious but meaningful signs of stabilization in the second quarter of 2025, with leasing activity picking up and net absorption reaching its highest levels since 2021.

As vacancy remained virtually flat for the seventh straight quarter, rental rates ticked up. Cushman & Wakefield reported that Class A rates hit an all-time high. Across all reports, the CBD and The Woodlands submarkets continued to lead in tenant demand and hold the highest rental rates.

The construction pipeline remains modest but strategically focused. No new projects were completed in Q2, but several are underway, including Autry Park in the Inner Loop, The RO in Greenway Plaza, and CityCentre Six on the Katy Freeway—all of which are more than 60% preleased.

Analysts expect that limited new supply, combined with steady demand for quality space, may lead to gradual tightening in the market, especially in high-performing submarkets. Tenant preferences continue to shift toward Class A assets, and investor interest remains focused on stabilized, well-located properties.



THE STATISTICS

Submarket	Inventory (in Square Feet)	Overall Vacancy	Direct Vacancy	Average Asking Rental Rates	Under Construction (in Square Feet)
Inner Loop	88,722,192	28.08%	25.50%	\$34.08	333,079
Southeast	6,436,298	18.16%	13.82%	\$22.56	80,000
Northwest	19,327,661	28.94%	23.77%	\$20.33	49,559
North	24,666,096	27.87%	25.66%	\$27.06	0
West	46,808,423	26.92%	22.33%	\$25.96	305,333
Southwest	12,266,135	26.00%	22.30%	\$20.73	0
Northeast	2,048,337	7.98%	9.22%	\$16.87	0
Totals	200,275,143	27.22%	23.88%	\$28.62	767,971

Sources:

[CBRE Marketview, Houston Office Q2 2025](#). Houston: CBRE, 2025.

[Cushman & Wakefield Marketbeat Houston, Texas Office Q2 2025](#). Houston: Cushman & Wakefield, 2025.

[Transwestern Houston Office Market Q2 2025](#). Houston: Transwestern, 2025.