

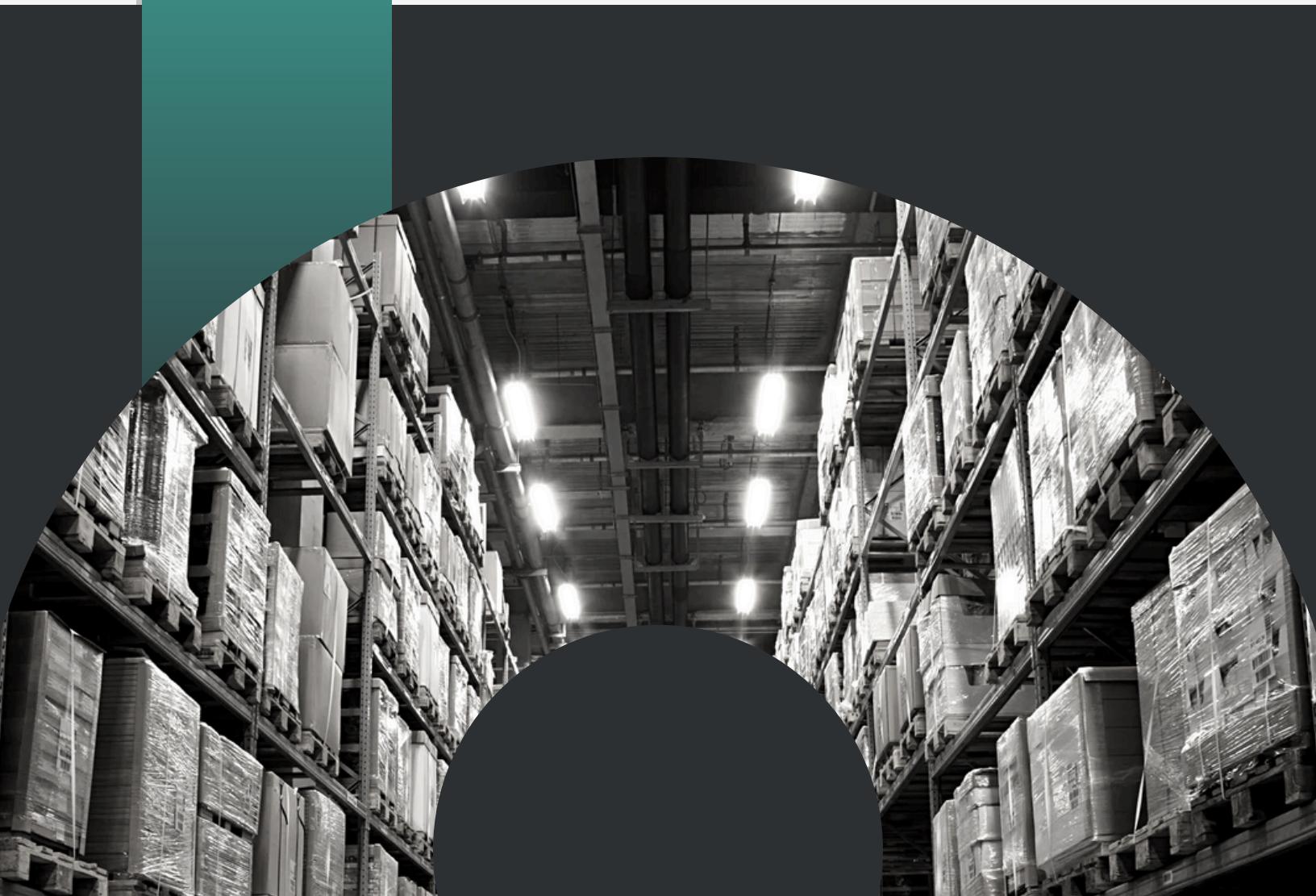
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HOUSTON
BOMA

INDEX

Q3 INDUSTRIAL



SUMMARY

Houston's industrial sector demonstrated resilience and balanced fundamentals in Q3 2025, with strong leasing momentum and steady construction activity despite elevated vacancies tied to new deliveries.

The third quarter was Houston's best quarter of leasing activity since 2023, driven by large occupancies from PepsiCo, Panelmatic, Creative Innovations, and Constellation Brands. Net absorption also improved, leading Houston to rank sixth in the nation in year-to-date absorption, according to Cushman & Wakefield.

Vacancy edged up modestly due to record quarterly deliveries, with 9.6 million square feet of new completions, according to CBRE. While groundbreakings are cooling down, Houston's construction pipeline remains one of the largest in the nation driven by a flurry of activity in the Northwest and Southeast submarkets.

Despite short-term vacancy fluctuations tied to deliveries, all reports agree that Houston's industrial market remains fundamentally strong, underpinned by diversified tenant demand, steady absorption, and resilient rent growth. As of Q3 2025, Houston continues to rank among the top U.S. industrial markets for both leasing velocity and construction activity.



THE STATISTICS

Submarket	Inventory (in Square Feet)	Overall Vacancy	Under Construction (in Square Feet)
Central Business District (CBD)	22,9992,653	7.33%	97,148
Southeast	130,280,624	9.56%	3,065,786
Northwest	150,144,042	6.80%	5,711,439
North	111,612,817	8.01%	2,023,506
West	42,954,935	10.82%	1,429,726
Southwest	80,068,495	6.60%	881,558
Northeast	44,774,654	11.25%	413,086
South	43,578,299	6.56%	1,894,096
Totals	626,406,519	8.16%	15,516,346

Average Asking Rental Rates (Monthly Per Square Foot)

CBRE (Triple Net Leases, All Classes).....	\$0.86
Cushman & Wakefield (All Lease Types/Classes).....	\$0.65
Transwestern (Triple Net Leases, All Classes).....	\$0.82

Sources:

[CBRE Marketview, Houston Industrial Q3 2025. Houston: CBRE, 2025.](#)

[Cushman & Wakefield Marketbeat Houston Industrial Q3 2025. Houston: Cushman & Wakefield, 2025.](#)

[Transwestern Houston Industrial Market Q3 2025. Houston: Transwestern, 2025.](#)