

The Colliers logo, featuring the word "Colliers" in a white serif font inside a white-bordered rectangle with a yellow and red horizontal stripe at the bottom.

Colliers

INDUSTRIAL

Q3 2026

Houston

"While the sheer volume of activity this quarter is notable in its own right, the range of industries choosing Houston is an equally telling measure of this market's strength and trajectory."

Danny Rice | President

Houston



OVERALL VACANCY RATE

7.0% ▼ YOY ▼ Forecast

NET ABSORPTION (SF)

8.3M ▲ YOY ▲ Forecast

UNDER CONSTRUCTION (SF)

25.5M ▲ YOY ▲ Forecast

OVERALL ASKING LEASE RATES (NNN)

\$10.43/SF ▲ YOY ▲ Forecast

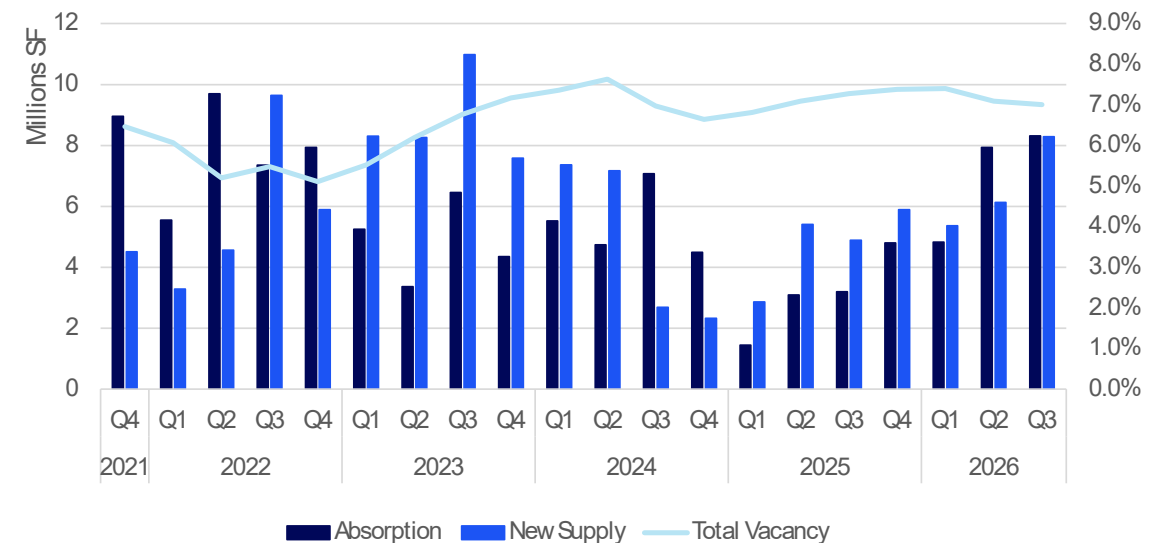
MARKET HIGHLIGHTS

- Net absorption reached 8.3M SF in the third quarter, bringing year-to-date absorption to 21.1M SF, surpassing the market's full-year 2025 absorption figure.
- Quarterly leasing totaled 17.6M SF, the highest level recorded in more than a decade, with the Southeast (28.1%), North (25.8%), and Northwest (19.9%) submarkets accounting for nearly three-quarters of all leasing activity.
- Trailing four-quarter leasing rose to 51.4M SF, the highest since Q1 2022 and well ahead of the five-year average of 45.4M SF.
- Overall vacancy declined 10 basis points (bps) to 7.0%, its lowest level since Q1 2025, and is down 30 bps YoY.
- Average asking rents ended the quarter at \$10.43 PSF, up 3.9% QoQ and 10.4% YoY.
- Owner-user acquisitions remain a segment to watch, as these buyers are generally less sensitive to short-term yields than traditional investors.

HISTORIC COMPARISON

	Q3 2026	Q2 2026	Q3 2025
Total Inventory (in millions of SF)	735.6	727.2	709.8
New Supply (in millions of SF)	8.3	6.1	4.9
Net Absorption (in millions of SF)	8.3	7.9	3.2
Overall Vacancy Rate	7.0%	7.1%	7.3%
Under Construction (in millions of SF)	25.5	28.5	22.6
Overall Asking Lease Rates (NNN)	\$10.43	\$10.04	\$9.45

MARKET FUNDAMENTALS



Source: Colliers, CoStar

Market Fundamentals



DELIVERIES | ABSORPTION

Net absorption reached 8.3M SF in Q3 2026, the strongest quarterly performance recorded since Q2 2022. With occupancy gains accelerating throughout the year, the Houston industrial market is on pace to post its highest annual net absorption since 2022, reflecting sustained tenant demand across the region. The Southeast submarket led all submarkets, absorbing 2.9M SF.

LEASING ACTIVITY

Quarterly leasing totaled 17.6M SF, the highest in over a decade, with the Southeast (28.1%), North (25.8%) and Northwest (19.9%) accounting for nearly 75% of total leasing activity. Trailing four-quarter leasing rose to 51.4M SF. Among the top leases were Tesla's 1.2M SF lease at TGS Cedar Port DC4 in the Southeast, Applied Optoelectronics' 737.6K SF commitment at 6000 McHard Rd, and SEG Manufacturing's 704.1K SF lease at Northwest 99 Business Park, a Colliers transaction.

VACANCY | RENTS

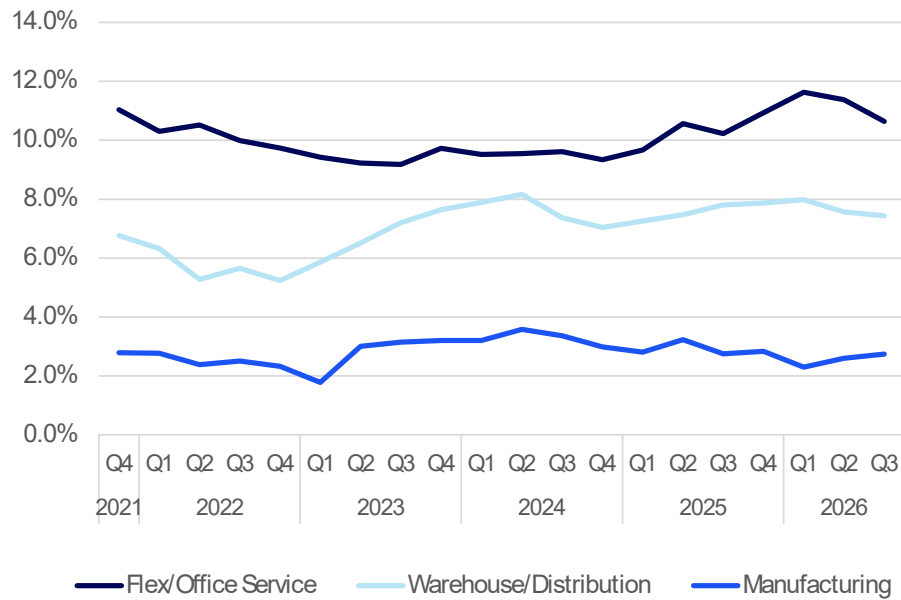
With absorption outpacing new supply for a second straight quarter, overall vacancy declined 10 bps to 7.0%, its lowest level since Q1 2025. The Southeast posted the sharpest improvement, falling 111 bps to 8.2%, while the Southwest remained the tightest submarket at 5.3%. Overall rents ended Q3 at \$10.43 PSF, up 3.9% QoQ and 10.4% YoY.

UNDER CONSTRUCTION

Construction activity remained elevated during the third quarter. Despite 8.3M SF of new deliveries coming online, the development pipeline is up 12.8% YoY, with 25.5M SF under construction. The Northwest (27.1%) and North (22.3%) submarkets are seeing the largest amount of construction activity, accounting for nearly half of the space underway. Notable developments include Prologis' Legacy Point Building 1 (1.0M SF), a Colliers assignment. Also, Eli Lilly's \$6.5B, 236-acre campus at Generation Park in northeast Houston, which broke ground this quarter.

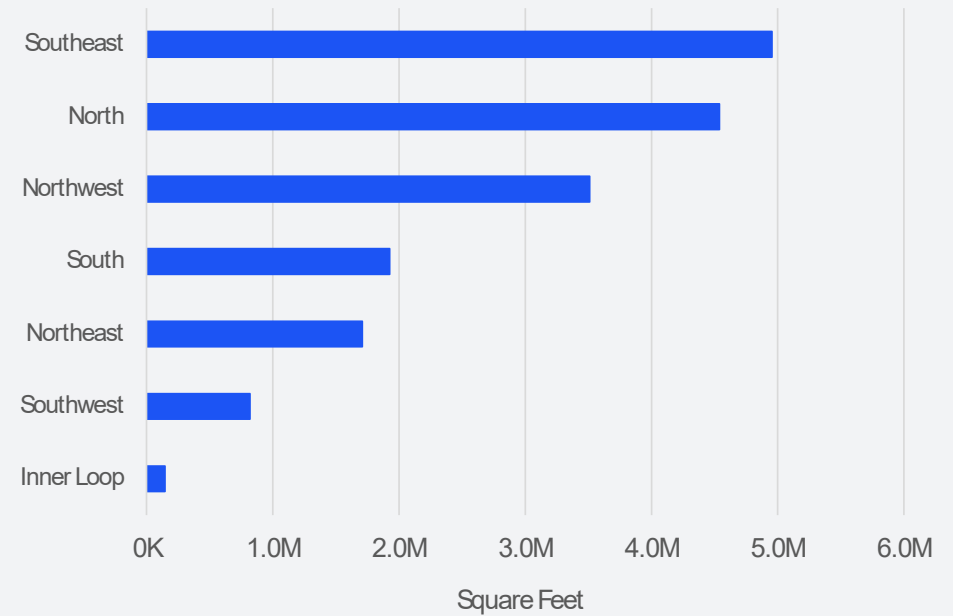
Source: Colliers, CoStar

VACANCY BY TYPE



Source: Colliers, CoStar

Q3 2026 LEASING ACTIVITY BY SUBMARKET CORRIDOR



Source: Colliers, CoStar

TOP TRANSACTIONS

TENANT	ADDRESS/ BUSINESS PARK	SUBMARKET	RBA	TRANSACTION TYPE
Tesla	7505 Fisher Rd	Southeast	1,218,956	New Lease
Applied Optoelectronics	6000 McHard Rd	Southwest	737,621	New Lease
*SEG Manufacturing	NW 99 Bldg #3 - Clay Industrial Road	North	704,080	New Lease
Enchanted Rock	10100 W Lake Houston Pky	Northeast	648,720	New Lease
Spike Electric	10591 Red Bluff Rd	Southeast	643,118	New Lease
*Ross Dress for Less	1266 Jordan Ranch Blvd	Southwest	603,835	New Lease

*Colliers Transaction

Construction Activity

193

OF BUILDINGS

18,253,730

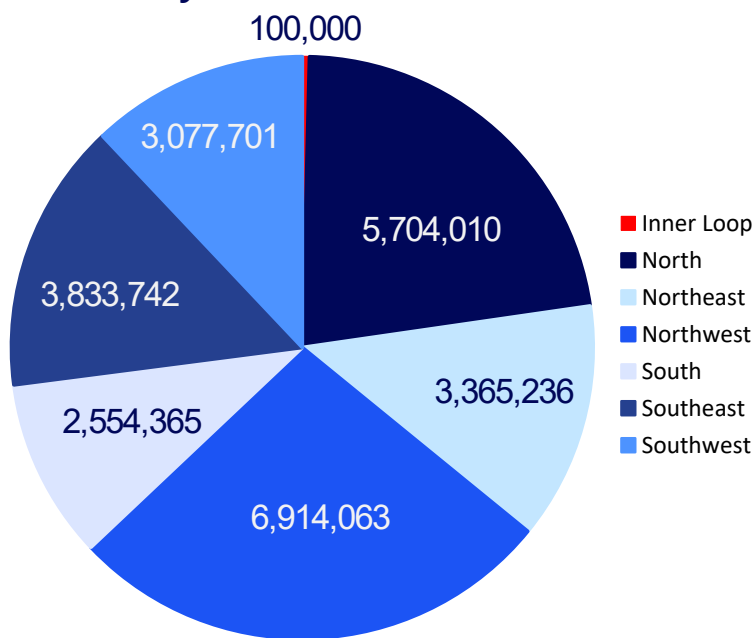
AVAILABLE SF

25,549,117

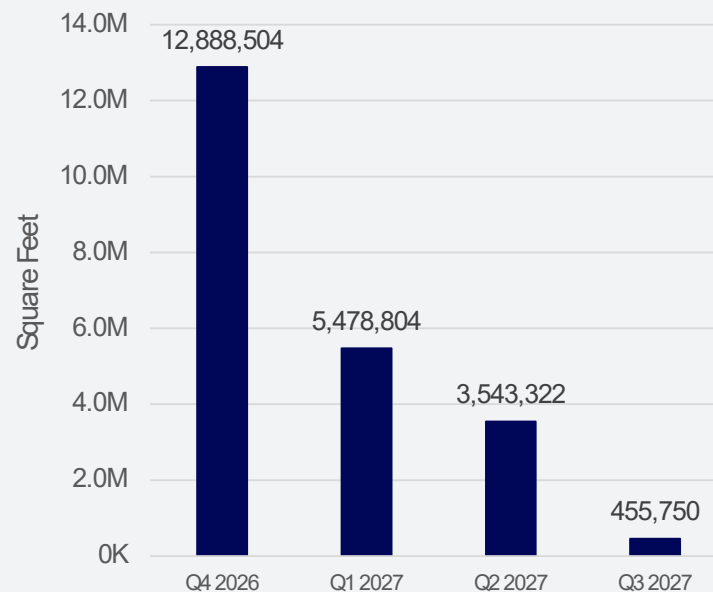
TOTAL SF

28.6%

PRELEASED



Future Deliveries



*Includes all under-construction industrial and flex buildings 20,000+ SF

Under Construction

INSTITUTIONAL INVENTORY 550,000 SF OR GREATER

BUSINESS PARK/BUILDING NAME	SUBMARKET	RBA	% LEASED/ OWNED	ESTIMATED DELIVERY	DEVELOPER/OWNER
*Prologis Legacy Point - Bldg 1	Northwest	1,002,406	0.0	Q1 2027	Prologis
Generation Park/ Eli Lilly Campus	Northeast	700,000	100.0	Q3 2030	Eli Lilly & Co.
4897 S Belt Central Dr - Bldg 5	South	620,728	100.0	Q4 2027	Investment & Development Ventures
Core5 Logistics Center at Airtex	North	612,208	100.0	Q1 2027	Core5 Industrial Partners
19685 Emerald Ln	North	566,000	100.0	Q1 2027	GCP Paper USA

*Colliers lease assignment

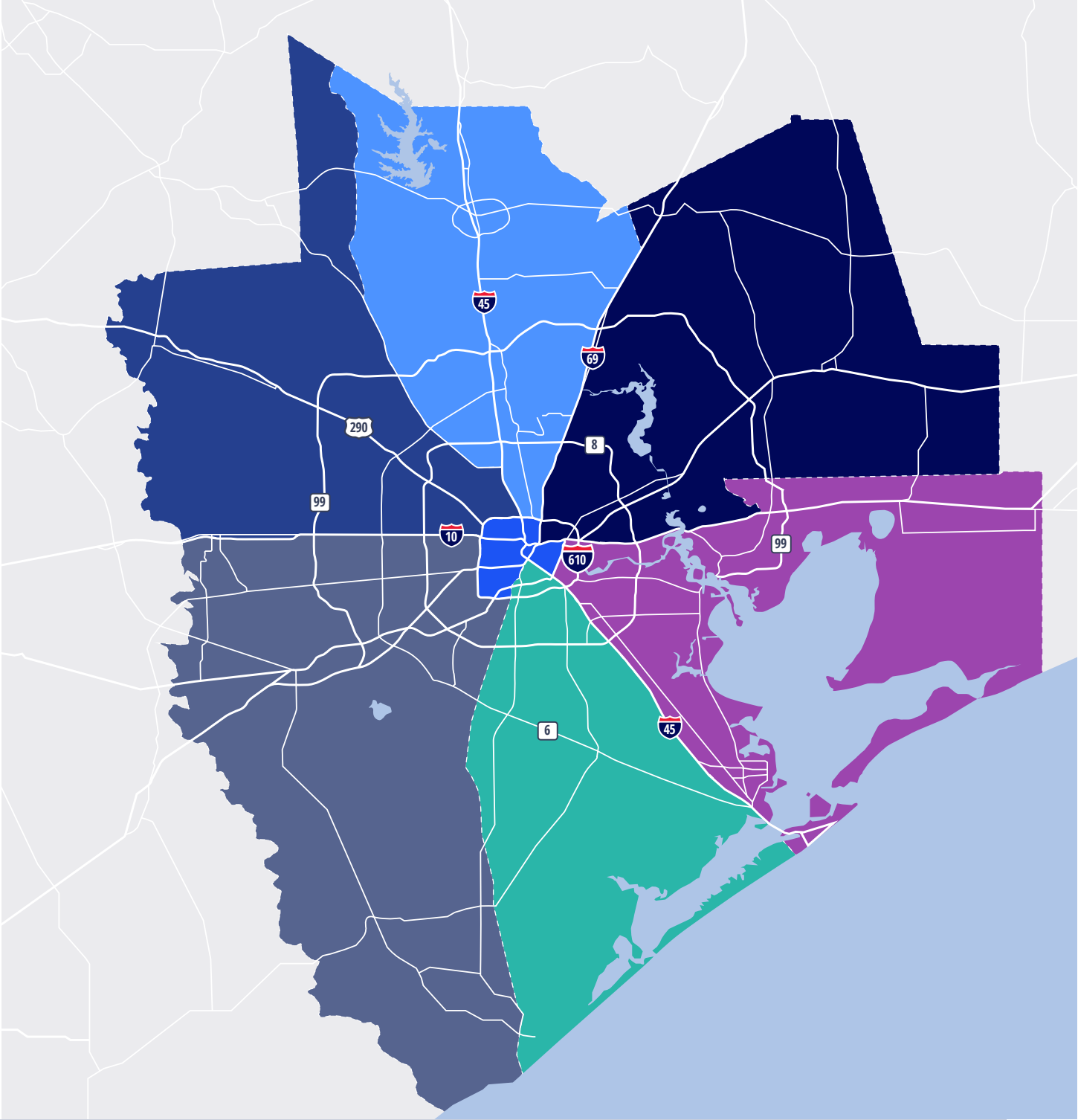
Market Statistics

SUBMARKET/ SUBTYPE	TOTAL INVENTORY SF	DIRECT AVAILABILITY RATE	SUBLEASE AVAILABILITY RATE	AVAILABILITY RATE	VACANCY RATE	VACANCY RATE PREVIOUS	NET ABSORPTION CURRENT	NET ABSORPTION YTD	UNDER CONSTRUCTION	DELIVERIES YTD	AVG DIRECT ASKING RATE (NNN)
HOUSTON TOTAL	735,589,833	9.2%	1.0%	10.1%	7.0%	7.1%	8,312,664	21,075,333	25,549,117	19,783,619	\$10.43
Inner Loop	41,676,653	10.4%	1.3%	11.6%	9.0%	8.8%	(43,207)	(726,183)	100,000	0	\$9.39
North	134,193,947	10.1%	1.3%	11.0%	7.2%	6.5%	528,101	3,108,215	5,704,010	3,136,835	\$10.60
Northeast	55,746,567	9.6%	1.3%	10.8%	6.0%	6.9%	820,772	1,849,923	3,365,236	527,163	\$10.14
Northwest	197,555,147	8.8%	0.6%	9.3%	6.2%	6.3%	2,137,030	5,808,088	6,914,063	6,190,735	\$10.47
South	58,554,616	9.7%	0.8%	10.5%	9.2%	7.5%	400,383	994,682	2,554,365	3,443,935	\$10.16
Southeast	144,986,464	9.5%	1.2%	10.6%	8.2%	9.3%	2,866,925	4,815,792	3,833,742	3,070,727	\$9.22
Southwest	102,876,439	7.5%	0.7%	8.1%	5.3%	5.4%	1,602,660	5,224,816	3,077,701	3,414,224	\$13.07
Manufacturing Total	95,461,195	2.5%	0.3%	2.7%	2.8%	2.6%	(135,445)	430,688	883,702	404,867	\$9.28
Flex/Office Service Total	42,069,785	10.6%	0.7%	11.3%	10.6%	11.4%	335,682	224,043	1,206,325	112,648	\$12.30
Warehouse/ Distribution Total	598,058,853	10.2%	1.1%	11.1%	7.4%	7.5%	8,112,427	20,420,602	23,459,090	19,266,104	\$10.32
Houston Total	735,589,833	9.2%	1.0%	10.1%	7.0%	7.1%	8,312,664	21,075,333	25,549,117	19,783,619	\$10.43

Submarket Map

SUBMARKET CLUSTER NAME

- 1 Inner Loop Corridor
- 2 North Corridor
- 3 Northeast Corridor
- 4 Northwest Corridor
- 5 South Corridor
- 6 Southeast Corridor
- 7 Southwest Corridor



Global Stats

Colliers (NASDAQ, TSX: CIGI) is a global diversified professional services and investment management company. Operating through three industry-leading platforms – Real Estate Services, Engineering, and Investment Management – we have a proven business model, an enterprising culture, and a unique partnership philosophy that drives growth and value creation. For 30 years, Colliers has consistently delivered approximately 20% compound annual returns for shareholders, fueled by visionary leadership, significant inside ownership and substantial recurring earnings. With more than \$6.0 billion in annual revenues, a team of 28,000 professionals, and more than \$100 billion in assets under management, Colliers remains committed to accelerating the success of our clients, investors, and people worldwide. Learn more at corporate.colliers.com, X @Colliers or LinkedIn.

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Disclaimer

Colliers' statistical tracked set for Houston includes all single- and multi-tenant industrial properties above 20,000 square feet. Heavy-manufacturing and data-center facilities are excluded from the total tracked inventory. Our database is updated daily along with some historical revisions, making comparisons with prior published reports challenging.

Sources

Colliers | CoStar



\$6.0B

ANNUAL
REVENUE

70+

COUNTRIES WE
OPERATE IN

\$110B

ASSETS UNDER
MANAGEMENT

44,000

LEASE AND SALE
TRANSACTIONS

2B

SQUARE FEET
MANAGED

28,000

PROFESSIONALS

Number of countries includes affiliates

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