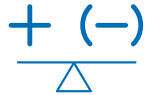




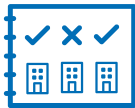
204.8M SF
Inventory



201.1K SF
Net Absorption



20.7%
Direct Vacancy



27.0%
Total Availability



865.0K SF
Under Construction



\$34.67 PSF
Asking Rent

New Construction, Strong Leasing Push Up Annual Space Gains

Market Observations

- Office leasing trends strengthened this quarter led by activity in three key submarkets, the Northwest, Katy Fwy/Energy Corridor and The Woodlands, where each drew net gains of more than 85K SF and drove absorption for the year to over 145K SF for each. Houston's overall direct vacancy dipped 20 basis points as a result to 20.7% and overall net absorption reached 201K SF, led by Class A measuring 351.9K SF in net absorption for the quarter and 687.2K SF year to date.
- Notable leases include Tetra Technologies signing for 62K SF at 10000 Energy Dr in The Woodlands, contributing to 118.1K SF of overall net gains for the submarket over the quarter, DBR Engineering Consultants taking 47.1K SF at 200 Westlake and Audubon's 27.1K SF lease at 8 West Centre in Katy Fwy/Energy Corridor which saw more than 85K SF of net growth. The Northwest saw gains measuring 105.3K SF led by Geospace Technologies leasing 30.4K SF at The Tower at 290.
- The Northwest submarket also witnessed the delivery of One Bridgeland Green at 20203 Bridgeland Creek Pky, a nearly 50K SF mass timber office building developed by Howard Hughes which came online with a pre-lease rate of 80.3%, leaving 865.0K SF in Houston's office construction pipeline, 86.2% of which is pre-leased.

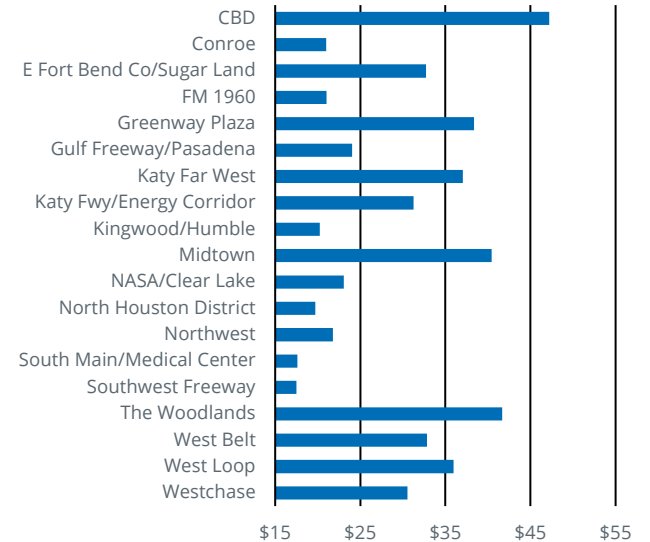




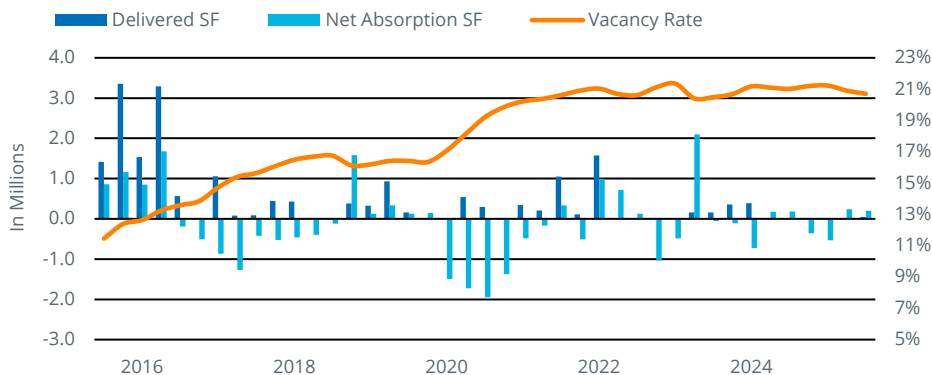
HOUSTON OFFICE MARKET | Q3 2025

- While direct vacancy ticked down, total availability widened to 27.0% as 840.6K SF of space came onto the market. The Katy Fwy/Energy Corridor and CBD submarkets saw elevated total availability over the quarter by 90 basis points and 1.0%, respectively. In Katy Fwy/Energy Corridor, Marathon Oil vacated 443,500 SF at 990 Town & Country after being acquired by ConocoPhillips late last year.
- Houston's overall office sector posted positive net growth reaching 201.1K SF during Q3 led by occupiers taking down large blocks of space such as Seadrill signing for 62,483 SF at Westway III in the West Belt submarket and Tetra Technologies for 62K SF in at 10000 Energy Dr in The Woodlands.
- Full-service asking rents gained \$0.18 PSF/YR which now average \$34.67 PSF/YR, an increase of 50 basis points over the quarter and 1.3% year-over-year.
- As expected, Houston's office construction pipeline subsided to 865.0K SF with a pre-lease rate of 86.2% following Howard Hughes delivery of its mass timber office of nearly 50.0K SF, One Bridgeland Green, in the Northwest submarket. New construction projects currently underway include Service Corporation International's office (210.0K SF) in Midtown, Midway's CityCentre Six (324.5K SF) in Katy Freeway/Energy Corridor, Transwestern's The RO (146.0K SF) in Greenway Plaza and Autry Park (127.6K SF) now fully pre-leased after ETQ Corporation signed a lease for 25,946 SF.

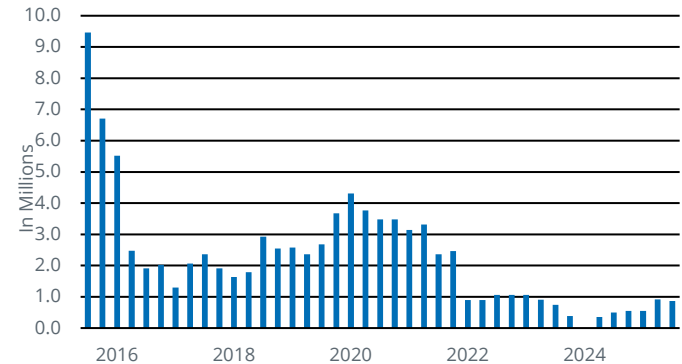
ASKING RENT BY SUBMARKET, FULL SERVICE



DELIVERY IMPACT ON KEY INDICATORS



UNDER CONSTRUCTION





OFFICE MARKET INDICATORS - ALL SPACE

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
CBD	39,679,819	8,872,374	22.4%	31.7%	-	33,148	61,028	\$47.20
Conroe	235,037	5,152	2.2%	2.2%	-	12,110	12,110	\$21.00
E Fort Bend Co/Sugar Land	4,453,145	937,743	21.1%	25.0%		44,004	(22,057)	\$32.73
FM 1960	7,592,825	2,443,032	32.2%	35.4%		3,747	(80,709)	\$21.04
Greenway Plaza	10,080,993	2,297,662	22.8%	26.0%	146,003	(44,966)	69,422	\$38.35
Gulf Freeway/Pasadena	2,562,838	248,568	9.7%	10.6%		(9,284)	(41,782)	\$24.04
Katy Far West	2,039,090	55,689	2.7%	13.3%		25,055	5,484	\$37.05
Katy Fwy/Energy Corridor	32,099,785	4,361,482	13.6%	21.1%	308,000	85,064	(110,002)	\$31.27
Kingwood/Humble	1,196,309	47,770	4.0%	4.5%		(16,413)	(11,763)	\$20.26
Midtown	4,738,207	695,737	14.7%	20.7%	331,000	(22,037)	(51,167)	\$40.44
NASA/Clear Lake	4,085,893	793,952	19.4%	26.7%	80,000	(292,603)	(228,872)	\$23.06
North Houston District	10,651,631	4,481,463	42.1%	44.4%	-	(26,873)	(320,062)	\$19.72



OFFICE MARKET INDICATORS - ALL SPACE - Cont.

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Northeast	987,156	7,353	0.7%	0.9%	-	-	(747)	-
Northwest	7,038,194	946,020	13.4%	19.1%	-	105,273	99,070	\$21.77
South Main/Medical Center	933,853	115,815	12.4%	19.1%	-	8,986	38,216	\$17.59
Southwest Freeway	8,106,180	1,658,562	20.5%	30.2%	-	45,383	(149,410)	\$17.48
The Woodlands	15,285,974	1,248,098	8.2%	14.0%	-	118,102	257,013	\$41.69
West Belt	4,714,800	1,107,237	23.5%	39.6%	-	72,062	(23,703)	\$32.84
West Loop	32,050,160	7,785,667	24.3%	27.1%	-	63,231	329,851	\$35.94
Westchase	16,283,774	4,310,418	26.5%	34.0%	-	(2,908)	(425,132)	\$30.53
Metro	204,815,663	42,419,794	20.7%	27.0%	865,003	201,081	(593,212)	\$34.67



Research Methodology

The information in this report is the result of a compilation of current information on office properties located in the Houston metropolitan area and may also include historical property data revision(s). This report includes single tenant, multi-tenant, and owner-user properties 50,000 SF and larger, excluding condo and those properties owned and occupied by a government agency. In Houston, Transwestern calculates Net Absorption as “Net Leasing,” or change in Total Available space. Space returned to market registers as negative absorption; Space leased or reoccupied registers as positive absorption. Transwestern’s methodology provides a real-time indicator of supply and demand in the space market that eliminates time lags and incomplete information inherent to tracking physical move-ins & move-outs.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://www.instagram.com/transwestern).

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