

Houston

Healthcare Market | Q1 2026

Investor Activity Strengthens In Line With Leasing For Premium, Quality Product

Market Observations

- Houston's Healthcare construction pipeline grew slightly to 66K SF over YE 2025. The pipeline is 87% pre-leased, after Sienna Plantation Medical Center, a 37K SF off-campus outpatient building, came online in the Sugar Land submarket thisquarter with health system MD Anderson occupying half the building. Construction is also nearing completion at Scott Square Medical Office, a 26K SF outpatient building in the Far West submarket, over 65% of which is pre-leased by Katy Pain & Spine. Meanwhile, Pinecroft broke ground on 40K SF Shenandoah Medical Plaza at 8933 Tamina Rd in The Woodlands, which is already fully taken by tenants specializing in primary care, nephrology, urology, cardiology, and infectious disease specialists. The building is expected to deliver early 2027.
- Houston's outpatient sector registered nearly 39K SF of net gains over the quarter, driven by the new product coming online in Sugar Land, which also saw the lion's share of space gains measuring 30K SF.
- Last, off-campus product across Houston registered gains of 5.6K SF, while on-campus product registered gains of 33K SF.



Class A & B*



20.1M SF
Inventory



38.2K SF
Net Absorption



16.3%
Direct Vacancy



19.9%
Total Availability



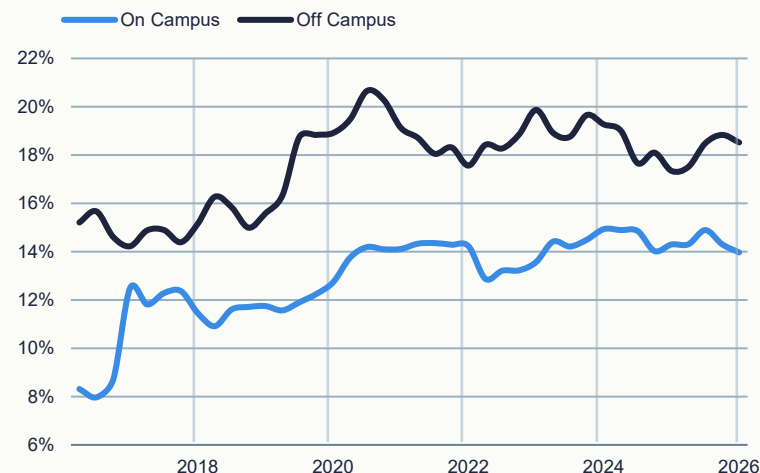
65.5K SF
Under Construction



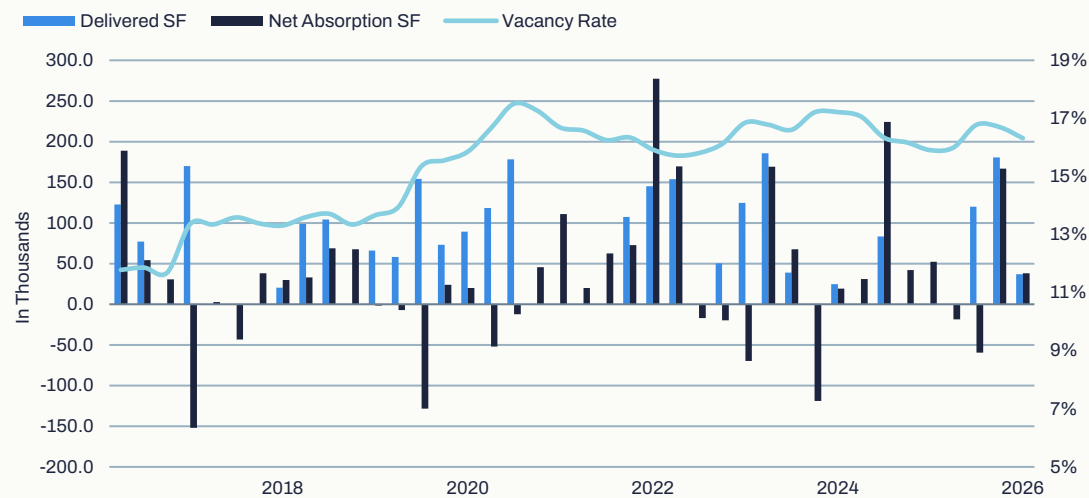
\$34.33 PSF
Asking Rent

- Houston’s healthcare direct vacancy measured 16.3%, up 40 bps from 15.9% a year prior, and total availability ticked up 30 bps year-over-year to 19.8% as tenants move to newer space options. Off-campus vacancy is up by 1.2% from this time last year, while on-campus vacancy has declined by 30 bps.
- Full-service asking rents averaged \$34.33 PSF/YR, up 4.0% year-over-year when asking rates averaged \$33.00 PSF/YR. Off-campus product witnessed asking rates increase by \$1.21PSF/YR to \$34.26 PSF/YR over the last year, while on-campus product saw an increase of \$1.51 PSF/YR to \$34.44 PSF/YR over the same period.
- The Houston Healthcare market witnessed one new groundbreaking and one building delivery over the quarter, leaving 66K SF of new outpatient product under construction with a pre-lease rate of 87%.

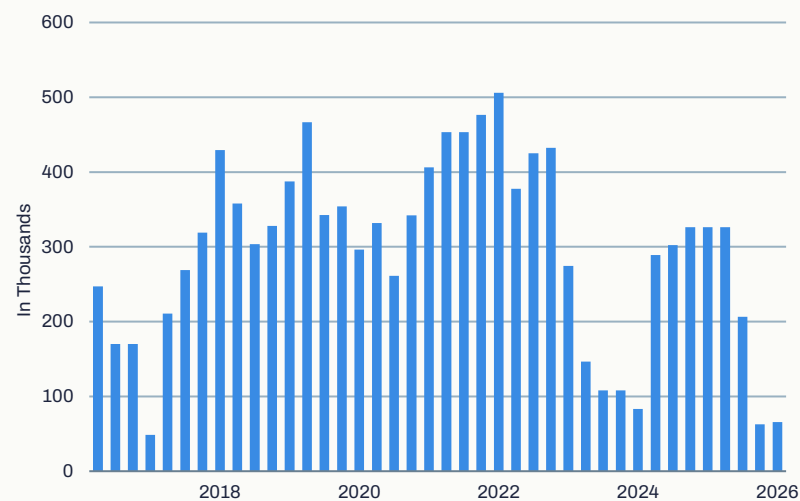
Vacancy by Campus Type



Delivery Impact On Key Indicators



Under Construction

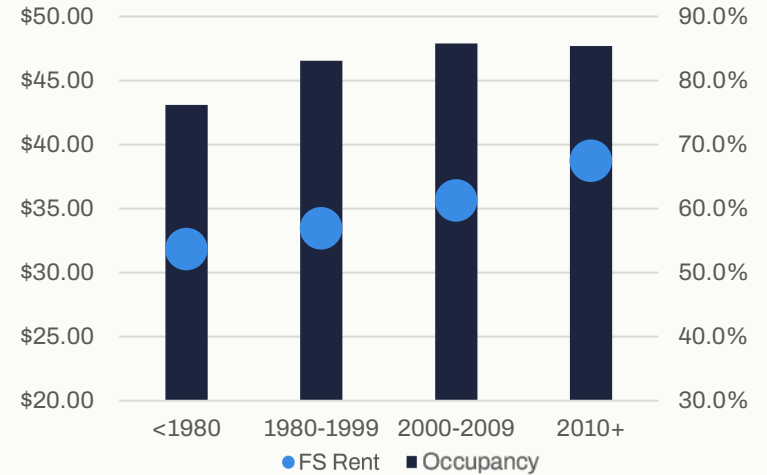


Sources: Transwestern, CoStar

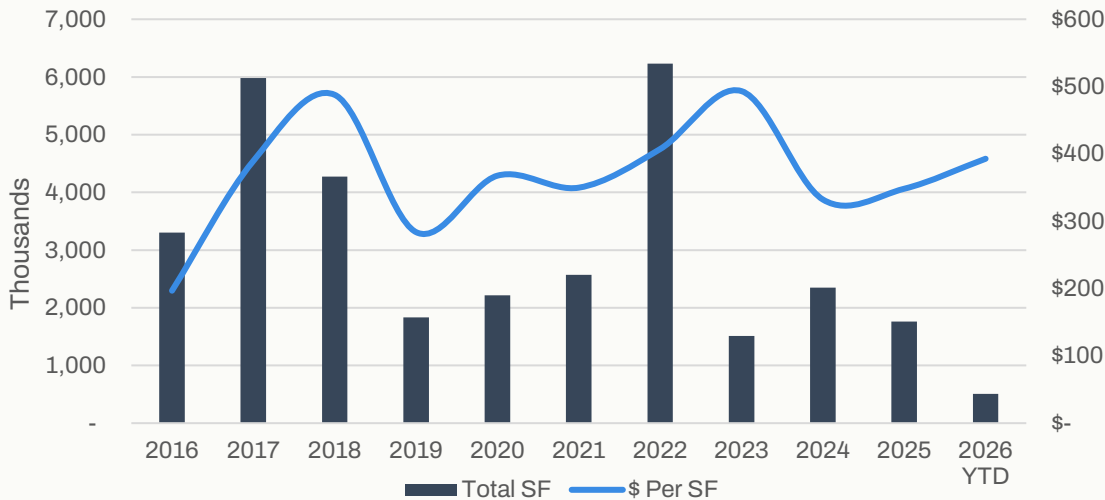
*Statistics exclude owner-user properties, Class C and/or those owned and occupied by a government agency.

- Healthcare and medical office investors completed five property sales in the first quarter of 2026 with an estimated average acquisition price of \$407 PSF, up \$42 PSF quarter-over-quarter and \$13 PSF year-over-year, according to Revista, a provider of comprehensive healthcare real estate data.
- Notable transactions include Edloe Ventures' acquiring Greenhouse Medical Plaza, a 117K SF medical outpatient building in the Far West submarket, and SG Property Services picked up 50.5K SF Woodforest Professional Plaza in The Woodlands from CMK Properties.
- According to Revista, "Healthpeak entered into a joint venture with affiliates of Blackstone through the contribution of a fully occupied, six-property outpatient medical portfolio valued at approximately \$212 million," in March, comprised of 418K SF of properties across five states, including Doctors United Surgery Center at 5146 Preston Avenue.

Q1 2026 FS Rent & Occupancy by Year Built



Investment Volume



Class C – Market View

Inventory	Direct Vacancy	Overall Availability
1.4M SF	16.8%	23.3%
Net Absorption	YoY Net Absorption	Full-Service Asking Rent
1,649 SF	5,892 SF	\$20.53

Sources: Transwestern, Revista, CoStar

Market Indicators Table

Class A & B | Q4 2025

Submarket	Inventory	Direct Vacant SF	Direct Vacancy	Overall Availability	Under Construction	Net Absorption	YoY Net Absorption	Full-Service Asking Rent
290 Corridor								
Off Campus	565,769	44,103	7.8%	11.5%	-	(4,790)	63,803	\$34.15
On Campus	611,951	53,804	8.8%	8.8%	-	(1,087)	131,141	\$37.16
290 Corridor - Total	1,177,720	97,907	8.3%	10.1%	-	(5,877)	194,944	\$35.53
Baytown/Channelview								
Off Campus	157,368	38,469	24.4%	24.4%	-	(2,178)	(1,817)	\$22.58
On Campus	143,291	0	0.0%	0.0%	-	-	-	\$0.00
Baytown/Channelview - Total	300,659	38,469	12.8%	12.8%	-	(2,178)	(1,817)	\$22.58
Belliare								
Off Campus	648,588	172,011	26.5%	31.9%	-	10,526	(21,683)	\$30.29
On Campus	99,768	22,023	22.1%	24.7%	-	448	(4,338)	\$43.75
Belliare - Total	748,356	194,034	25.9%	30.9%	-	10,974	(26,021)	\$31.72
Clear Lake								
Off Campus	541,067	87,897	16.2%	29.9%	-	(8,279)	(5,208)	\$33.30
On Campus	553,558	18,861	3.4%	3.4%	-	(1,060)	(8,336)	\$36.00
Clear Lake - Total	1,094,625	106,758	9.8%	16.5%	-	(9,339)	(13,544)	\$33.60
Conroe								
Off Campus	206,748	28,990	14.0%	15.2%	-	1,224	1,224	\$36.49
On Campus	439,577	33,828	7.7%	8.8%	-	(8,488)	(7,730)	\$34.51
Conroe - Total	646,325	62,818	9.7%	10.9%	-	(7,264)	(6,506)	\$35.46
Far West								
Off Campus	727,739	102,052	14.0%	14.7%	25,710	(1,563)	21,327	\$43.86
On Campus	294,359	55,330	18.8%	18.8%	-	(2,772)	(8,237)	\$30.36
Far West - Total	1,022,098	157,382	15.4%	15.9%	25,710	(4,335)	13,090	\$39.27

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Sources: Transwestern, CoStar

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Market Indicators Table Cont.

Class A & B | Q4 2025

Submarket	Inventory	Direct Vacant SF	Direct Vacancy	Overall Availability	Under Construction	Net Absorption	YoY Net Absorption	Full-Service Asking Rent
Inner Loop								
Off Campus	993,278	266,995	26.9%	34.6%	-	(15,934)	(40,546)	\$39.66
On Campus	417,034	177,312	42.5%	44.6%	-	13,319	22,007	\$28.65
Inner Loop - Total	1,410,312	444,307	31.5%	37.5%	-	(2,615)	(18,539)	\$35.20
Near North								
Off Campus	540,572	160,437	29.7%	36.3%	-	69	(36,942)	\$22.52
On Campus	0	-	-	-	-	-	-	-
Near North - Total	540,572	160,437	29.7%	36.3%	-	69	(36,942)	\$22.52
Near West								
Off Campus	692,673	56,249	8.1%	9.7%	-	4,097	5,093	\$28.41
On Campus	1,786,682	216,634	12.1%	14.2%	-	15,373	7,203	\$33.85
Near West - Total	2,479,355	272,883	11.0%	12.9%	-	19,470	12,296	\$32.79
Northeast								
Off Campus	707,392	90,834	12.8%	15.7%	-	(16,393)	106,981	\$30.69
On Campus	243,426	52,538	21.6%	21.6%	-	4,360	25,478	\$27.98
Northeast - Total	950,818	143,372	15.1%	17.2%	-	(12,033)	132,459	\$29.82
Pasadena								
Off Campus	309,574	55,995	18.1%	19.0%	-	5,659	(29,385)	\$31.50
On Campus	48,741	12,586	25.8%	25.8%	-	-	-	\$34.86
Pasadena - Total	358,315	68,581	19.1%	20.0%	-	5,659	(29,385)	\$32.09
South								
Off Campus	323,119	74,047	22.9%	28.3%	-	1,264	(1,329)	\$37.19
On Campus	259,425	76,245	29.4%	29.8%	-	-	(44,886)	\$41.18
South - Total	582,544	150,292	25.8%	29.0%	-	1,264	(46,215)	\$39.02

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Sources: Transwestern, CoStar

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Market Indicators Table Cont.

Class A & B | Q4 2025

Submarket	Inventory	Direct Vacant SF	Direct Vacancy	Overall Availability	Under Construction	Net Absorption	YoY Net Absorption	Full-Service Asking Rent
Southwest Near								
Off Campus	82,842	5,812	7.0%	19.1%	-	-	-	\$26.50
On Campus	603,000	145,787	24.2%	30.3%	-	7,047	13,260	\$34.75
Southwest Near - Total	685,842	151,599	22.1%	28.9%	-	7,047	13,260	\$34.29
Sugar Land								
Off Campus	1,117,873	245,712	22.0%	25.8%	-	33,846	(2,293)	\$36.42
On Campus	486,713	45,877	9.4%	11.1%	-	(3,902)	(2,752)	\$35.46
Sugar Land - Total	1,604,586	291,589	18.2%	21.3%	-	29,944	(5,045)	\$36.25
The Woodlands								
Off Campus	1,148,889	130,172	11.3%	16.6%	39,833	3,268	4,256	\$35.17
On Campus	862,973	49,586	5.7%	5.7%	-	(5,226)	(7,524)	\$35.01
The Woodlands - Total	2,011,862	179,758	8.9%	11.9%	39,833	(1,958)	(3,268)	\$35.13
TMC								
Off Campus	936,916	254,371	27.1%	33.5%	-	(596)	(55,029)	\$36.47
On Campus	2,699,000	389,613	14.4%	18.2%	-	14,571	17,180	\$35.82
TMC - Total	3,635,916	643,984	17.7%	22.1%	-	13,975	(37,849)	\$36.07
Tomball								
Off Campus	672,835	107,030	15.9%	22.0%	-	(4,609)	(15,935)	\$38.62
On Campus	160,868	6,216	3.9%	6.1%	-	-	2,380	\$41.30
Tomball - Total	833,703	113,246	13.6%	18.9%	-	(4,609)	(13,555)	\$38.80
HOUSTON								
Off Campus	10,373,242	1,921,176	18.5%	23.4%	65,543	5,611	(7,483)	\$34.26
On Campus	9,710,366	1,356,240	14.0%	16.1%	-	32,583	134,846	\$34.44
TOTAL - HOUSTON	20,083,608	3,277,416	16.3%	19.9%	65,543	38,194	127,363	\$34.33

Sources: Transwestern, CoStar

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Research Methodology

The information in this report is the result of a compilation of information on medical outpatient properties located in the Houston metropolitan area. This report includes multi-tenant, Class A and Class B properties of 20,000 SF and larger, excluding owner-user properties, Class C and those owned and occupied by a government agency. Last, Transwestern completed a full inventory audit confirming all Healthcare properties during 2025 for those used in the compilation of this report.

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