LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
HOUSTON, TX

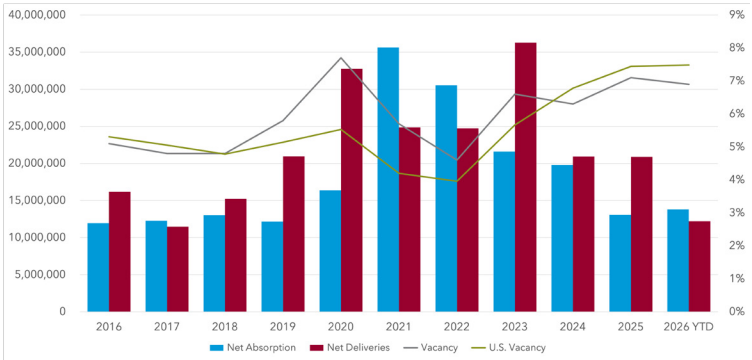
INDUSTRIAL MARKET OVERVIEW

MARY DOETTERL, *Research Director*

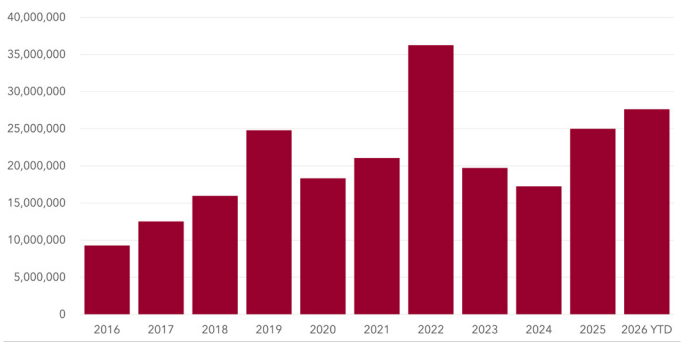
Houston's industrial market continued demonstrating resilient fundamentals during the second quarter, supported by healthy tenant demand and sustained leasing activity. Twelve-month net absorption reached nearly 6.9 million square feet, while the vacancy rate improved to 7.0% and average asking rents increased to $0.89 NNN per square foot. Development remained active, with 27.6 million square feet under construction and total inventory surpassing 816.8 million square feet. Strong leasing activity across the data center, semiconductor manufacturing, and engineering sectors reinforced demand, while modest cap rate compression to 6.67% reflected improving investor confidence in Houston's long-term industrial fundamentals.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ 12 Mo. Net Absorption SF	6,888,045	4,337,990	4,477,128	3,117,553	3,236,607
▼ Vacancy Rate	7.0%	7.1%	7.1%	6.9%	6.7%
▲ Avg NNN Asking Rate PSF	$0.89	$0.87	$0.89	$0.87	$0.85
▲ Sale Price PSF	$116.00	$109.00	$188.00	$106.00	$134.00
▼ Cap Rate	6.66%	7.16%	8.15%	6.34%	6.85%
▲ Under Construction SF	27,637,464	26,374,216	25,007,192	22,569,710	18,860,095
▲ Inventory SF	816,782,308	810,411,994	804,968,598	798,878,322	793,812,672

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
12515 Lockwood Road Houston, TX	1,026,270 SF	Undisclosed	QTS Outrigger Industrial	Class A
9200-9300 Baythorne Drive Houston, TX	1,010,912 SF	Undisclosed	High Street Logistics Properties TIAA	Class B
22206 Beckendorf Road Houston, TX	838,446 SF	Undisclosed	Goldman Sachs Pinpoint Commercial, LP	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6000 McHard Road (3 Buildings) Houston, TX	800,030 SF	Crow Holdings	Applied Optoelectronics	Semiconductor Manufacturing
2920 Airport Boulevard Houston, TX	750,663 SF	Carson Companies	TAS Energy, Inc.	Engineering Services
4014 Kingsland Ranch Drive Katy, TX	504,370 SF	Falcon Commercial Development	Distribution Alternatives	Transportation and Warehousing

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2026 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com