



Colliers

Tomball/Magnolia

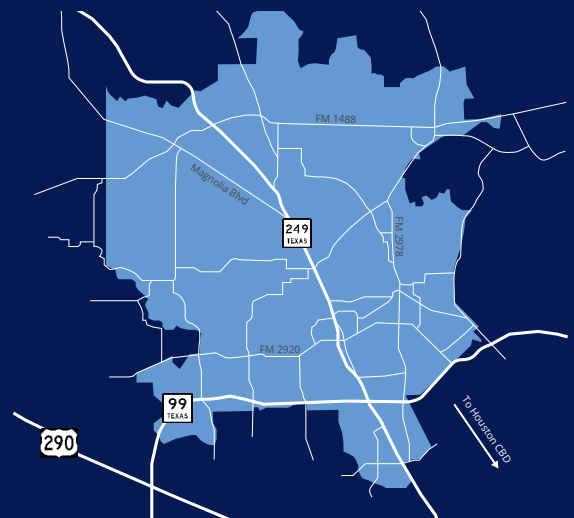
CRE Snapshot

25Q1

Office, Medical Office,
Industrial & Retail

KEY TAKEAWAYS

- Vacancy rates down for all CRE types from a year ago, and all but office improved from the prior quarter.
- Industrial construction pipeline at 1.2M SF more than doubles from prior quarter





Office Highlights

- Vacancy rose to 7.3% from 6.7% last quarter but improved from 7.7% year over year.
- Net absorption dropped to a negative 5,559 SF from 26,803 SF last quarter and 12,593 SF from last year.
- Average asking lease rates have been edging down for the last year, now at \$27.24 PSF, declining 1.8% from \$27.74 PSF a year ago.

Tomball/Magnolia

CRE Snapshot

25Q1



7.3%

VACANCY RATE



(5.6K) SF

NET ABSORPTION



0 SF

UNDER CONSTRUCTION

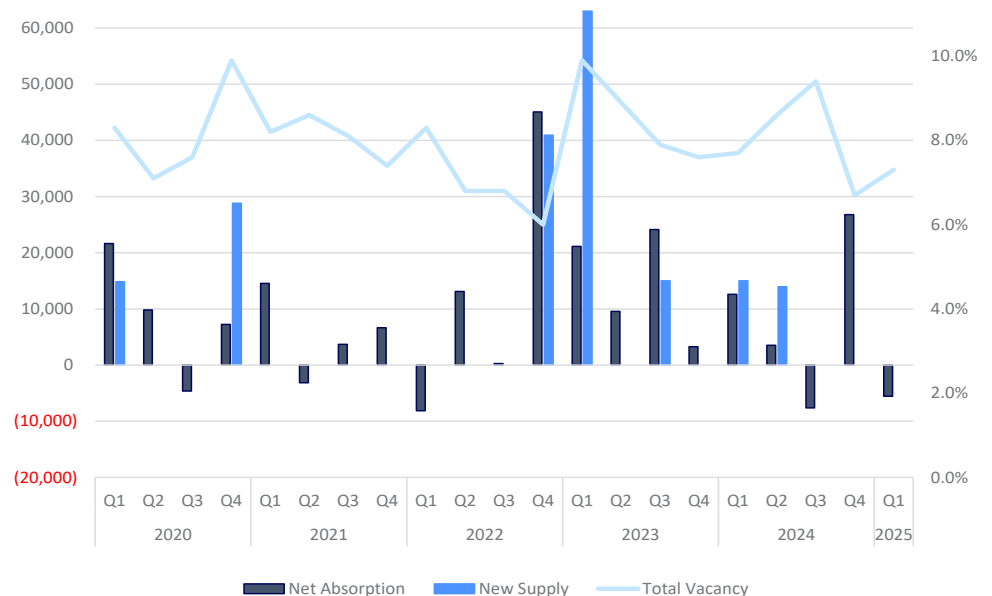


\$27.24/SF

OVERALL AVG ASKING LEASE RATE (FSG)

Activity

- No office construction or deliveries occurred in the first quarter, with the last new 13,941-SF building completed during second quarter 2024.
- Leasing activity has slowed to 693 SF during the first quarter, down from the quarterly average of 5,142 SF recorded during the last year.



Source: Colliers, CoStar

Medical Office Highlights

- Vacancy fell to 11.3% from 12.9% last quarter from 12.1% year over year.
- Net absorption grew to 39,100 SF from 4,452 SF last quarter and a negative 408 SF from last year.
- The medical office construction pipeline totals one 25,900-SF property, down from last quarter but up from a year ago.
- Average asking lease rates are marginally up at \$26.25 PSF from the first quarter but represent a decline from \$27.02 PSF a year ago.

Tomball/Magnolia

CRE Snapshot

25Q1



11.3%

VACANCY RATE



39.1K SF

NET ABSORPTION



25.9K SF

UNDER CONSTRUCTION

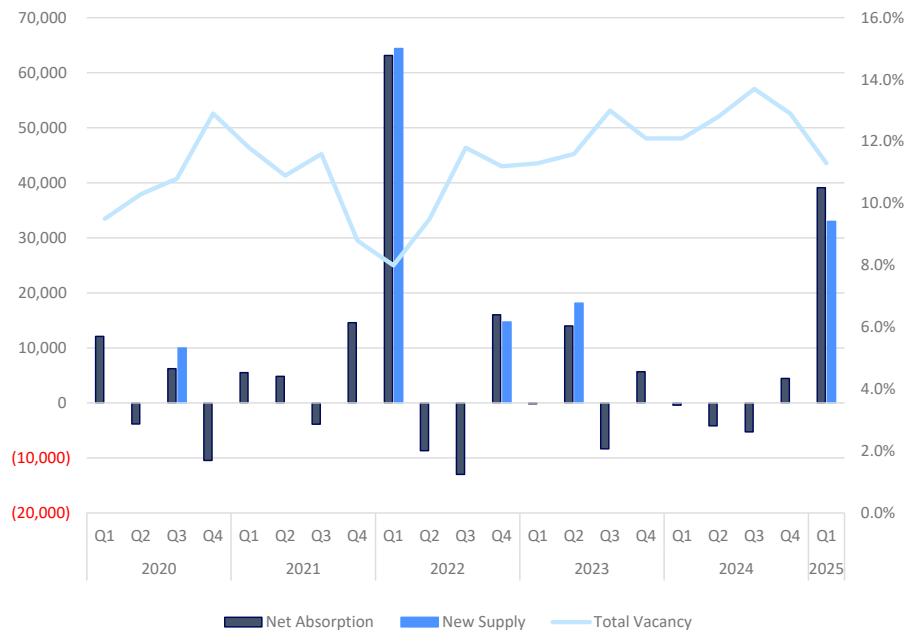


\$26.25/SF

OVERALL AVG ASKING LEASE RATE (FSG)

Activity

- One 33,000-SF building delivered during the first quarter, built and occupied by Kelsey Seybold at 33003 Egypt Lane in Magnolia. This building was primarily responsible for the jump in absorption.
- Leasing activity has slowed to 1,414 SF during the first quarter, down from 2,570 SF a year ago and from 28,371 SF last quarter, with the latter representing 11 small deals.



Source: Colliers, CoStar



Industrial Highlights

- Vacancy dropped to 9.4% from 11.6% last quarter and from 13.8% a year ago.
- Net absorption jumped to 271,037 SF with Midstream Valve Partners' deal and movein.
- Construction more than doubled to 1.2M SF compared to 541,533 SF last quarter and substantially up from 161,220 SF a year ago. Willow Creek Industrial Park accounted for the increase during the first quarter, breaking ground on 13 buildings totaling 603,909 SF, six of which are reported under contract.

Activity

- Largest lease and movein: Midstream Valve Partners with 173,544 SF in Interchange 249, Building 6.
- Enetech subleased and moved into 29,350 SF in 24431 Hufsmith-Kohrville Road.
- Four small buildings delivered 50,480 SF during the quarter.
- Tomball Business & Technology Park's 194,500-SF property is the largest project under construction and 100% leased to Metal Zinc and Walsh & Albert Co.

Tomball/Magnolia

CRE Snapshot

25Q1



9.4%

VACANCY RATE



271.0K SF

NET ABSORPTION



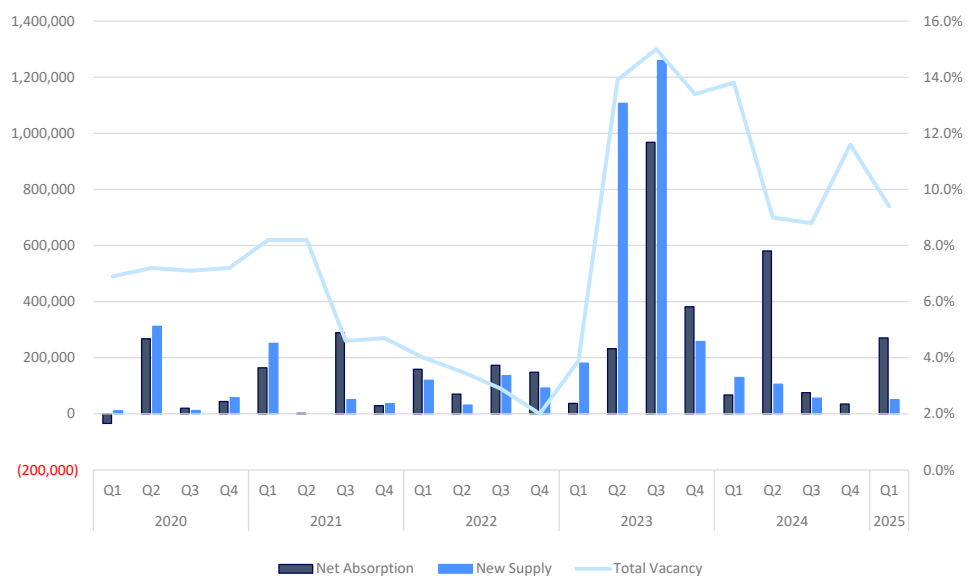
1.2M SF

UNDER CONSTRUCTION



\$13.97/SF

OVERALL ASKING LEASE RATE (NNN)



Source: Colliers, CoStar



Retail Highlights

- Vacancy dropped to 3.8% from 4.0% last quarter and from 4.1% a year ago.
- Net absorption fell to 27,259 SF from 50,570 SF last quarter but up 36.9% year over year.
- Construction declined to 181,372 SF from 186,372 SF last quarter and 214,737 SF from a year ago.
- Average asking lease rates decreased to \$22.08 PSF, 6.5% from last quarter and 7.0% from the first quarter last year.

Tomball/Magnolia

CRE Snapshot

25Q1



3.8%

YOY

VACANCY RATE



27.3K SF

YOY

NET ABSORPTION



181.4K SF

YOY

UNDER CONSTRUCTION



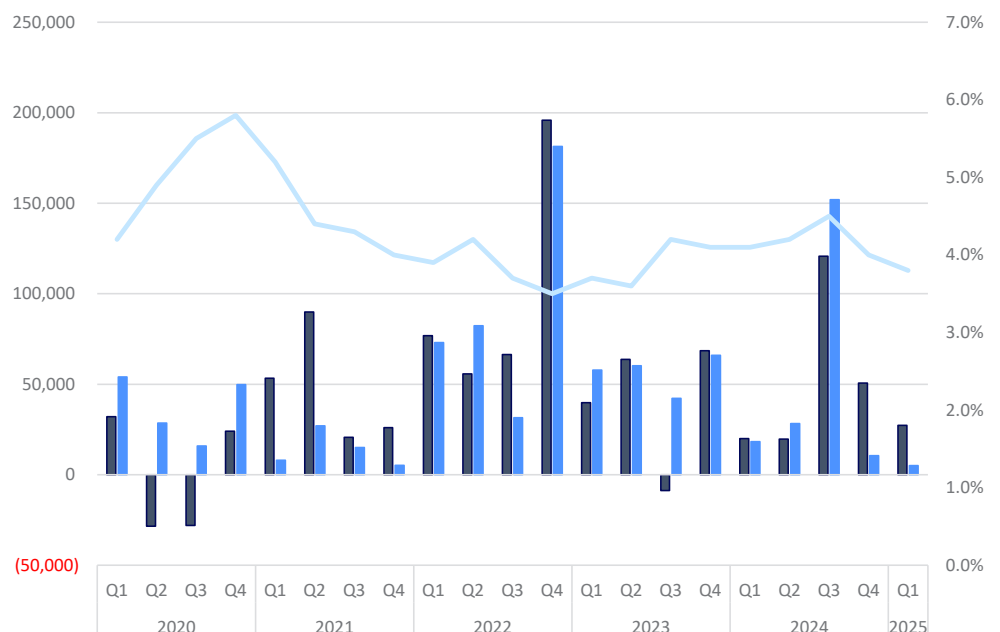
\$22.08/SF

YOY

OVERALL AVG ASKING LEASE RATE (NNN)

Activity

- Lowe's has the largest retail property underway with 94,000 SF in Magnolia Village to be completed during second quarter.
- The Learning Experience leased 10,000 SF in the new free-standing 26900 FM 2978 building with plans to occupy in September.
- One 5,000-SF property delivered during the first quarter.



Source: Colliers, CoStar

	Total Inventory SF	Total Availability Rate	Vacancy Rate Current	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate*
Office									
General-purpose									
Magnolia/Pinehurst	300,989	22.5%	9.4%	9.4%	0	0	0	0	\$29.22
Tomball	714,203	4.4%	6.4%	5.6%	(5,559)	(5,559)	0	0	\$25.00
OVERALL GENERAL-PURPOSE TOTALS	1,015,192	9.8%	7.3%	6.7%	(5,559)	(5,559)	0	0	\$27.24
Medical Office									
Magnolia/Pinehurst	105,132	18.2%	10.3%	15.1%	33,000	33,000	0	33,000	\$29.47
Tomball	538,361	13.5%	11.5%	11.5%	6,100	6,100	25,900	0	\$26.02
OVERALL MEDICAL-OFFICE TOTALS	643,493	14.8%	11.3%	12.9%	39,100	39,100	25,900	33,000	\$26.25
Industrial									
Magnolia/Pinehurst									
Flex	163,574	6.7%	6.8%	4.3%	(4,050)	(4,050)	0	0	\$16.15
Industrial	2,022,989	5.8%	5.3%	5.9%	12,472	12,472	40,000	0	\$13.36
Magnolia/Pinehurst totals	2,186,563	5.9%	5.4%	5.8%	8,422	8,422	40,000	0	\$13.70
Tomball									
Flex	710,767	8.2%	3.7%	6.4%	18,975	18,975	31,835	0	\$15.21
Industrial	7,414,797	20.9%	11.1%	13.8%	243,640	243,640	1,136,877	50,480	\$13.90
Tomball totals	8,125,564	19.9%	10.5%	13.2%	262,615	262,615	1,168,712	50,480	\$14.11
OVERALL INDUSTRIAL TOTALS	10,312,127	17.2%	9.4%	11.6%	271,037	271,037	1,208,712	50,480	\$13.97
Retail									
Magnolia/Pinehurst	2,854,155	5.2%	3.6%	3.7%	7,728	7,728	94,000	5,000	\$20.70
Tomball	5,538,853	5.0%	3.8%	4.2%	19,531	19,531	87,372	0	\$22.61
OVERALL RETAIL TOTALS	8,393,008	5.0%	3.8%	4.0%	27,259	27,259	181,372	5,000	\$22.08

Source: Colliers, CoStar

*For office and medical-office, asking rates are full-service gross; for industrial and retail, asking rates are NNN.

Note: Property size parameters include all general-purpose office and medical-office buildings and industrial/flex properties 10,000 square feet and larger. Retail properties include those 5,000 square feet and larger. Geographical boundaries are: zip codes 77375 and 77377 for Tomball and zip codes 77354, 77355 and 77362 represent Magnolia/Pinehurst.

FOR MORE INFORMATION

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