

Colliers



Tomball/Magnolia

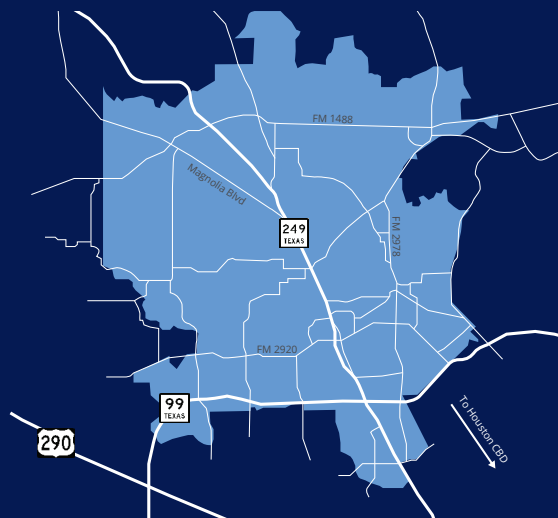
CRE Snapshot

25Q2

Office, Medical Office,
Industrial & Retail

KEY TAKEAWAYS

- The construction pipeline continues expanding for retail and industrial projects along the 249 Corridor near the Grand Parkway.
- Vacancy rates dropped for all CRE types from a year ago, with office and retail slightly up from the prior quarter.





Office Highlights

- Vacancy rose to 7.5% from 7.0% last quarter but improved from 8.4% year over year.
- Net absorption was a negative 4,991 SF, a nominal improvement from both the negative 5,559 SF recorded last quarter and the negative 6,730 SF from a year ago.
- Average asking lease rates dropped 5.4% to \$24.62 PSF from \$26.03 PSF in the first quarter and 4.1% from \$25.66 PSF year over year.

Tomball/Magnolia

CRE Snapshot

25Q2



7.5%

VACANCY RATE



(5.0K) SF

NET ABSORPTION



0 SF

UNDER CONSTRUCTION

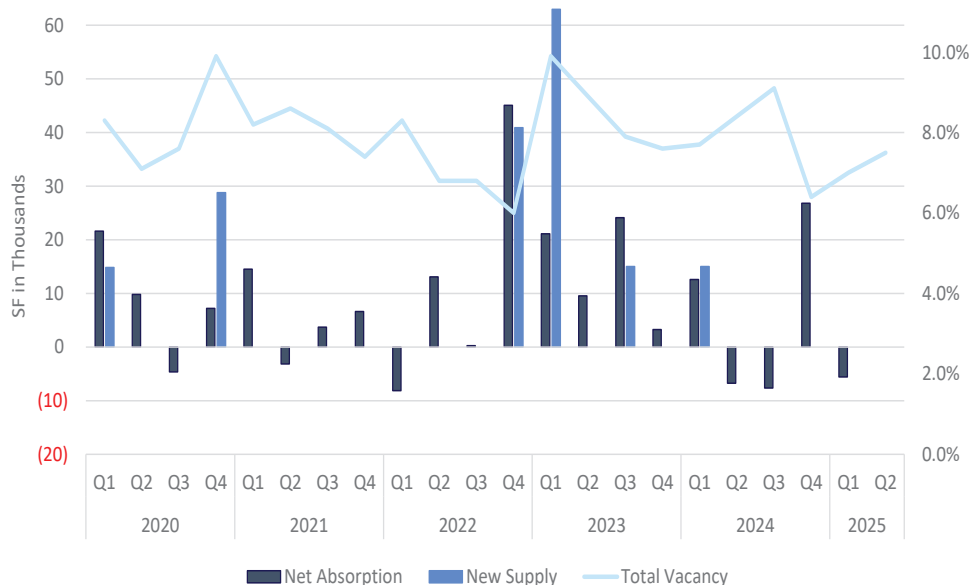


\$24.62/SF

OVERALL AVG ASKING LEASE RATE (FSG)

Activity

- No office buildings are currently under construction, and no deliveries were reported in the second quarter.
- Leasing activity rose to 7,409 SF during the second quarter, up from the quarterly average of 4,615 SF recorded throughout the prior four quarters.



Source: Colliers, CoStar

Medical Office Highlights

- Vacancy fell to 10.5% from 11.7% last quarter and from 13.1% year over year.
- Net absorption decreased to 7,541 SF from 39,100 SF last quarter but is marginally up from 6,066 SF year over year.
- The medical office construction pipeline totals one 25,900-SF medical office condo.
- Average asking lease rates jumped 15.0% to \$32.19 PSF from \$28.00 PSF in the first quarter and increased from \$28.61 PSF in the same period last year.

Tomball/Magnolia

CRE Snapshot

25Q2


10.5%

YOY

VACANCY RATE


7.5K SF

YOY

NET ABSORPTION


25.9K SF

YOY

UNDER CONSTRUCTION

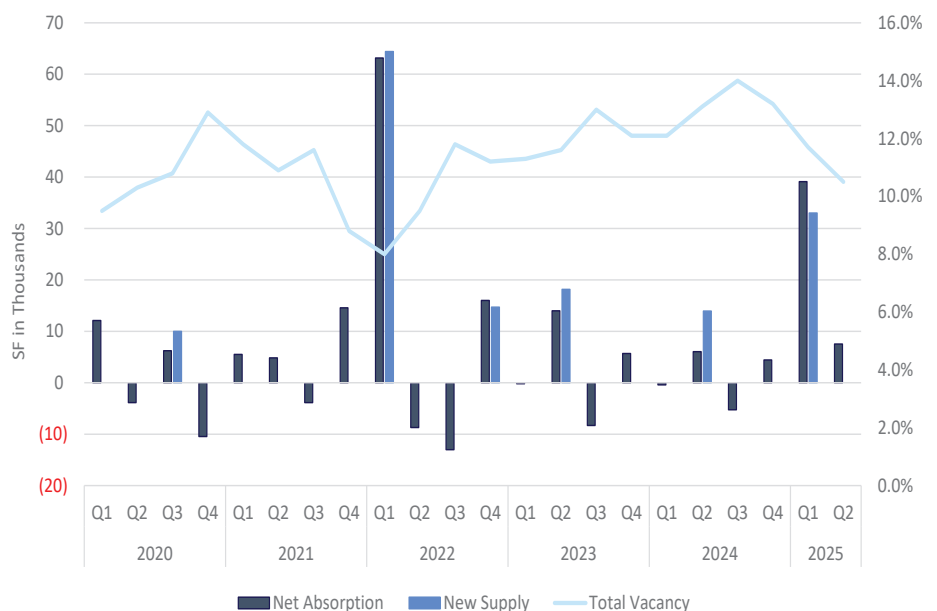

\$32.19/SF

YOY

OVERALL AVG ASKING LEASE RATE (FSG)

Activity

- There were no medical-office deliveries during the second quarter.
- Following a strong close to 2024, this year's leasing activity dropped to only three deals totaling 2,464 square feet – roughly half the activity seen in the first half of last year.



Source: Colliers, CoStar



Industrial Highlights

- Industrial momentum along the 249 Corridor remains strong, with new developments actively underway and proposed coupled with strong absorption.
- Vacancy improved substantially to 6.2% from 9.4% last quarter and from 12.2% a year ago.
- Net absorption of 630,064 SF during the second quarter more than doubled from the prior quarter, pushing year-to-date absorption to 901,101 SF.
- Construction activity decreased to 657,458 SF from 906,183 SF during the quarter but remains 50% above the highest level recorded last year.

Tomball/Magnolia

CRE Snapshot

25Q2



YOY

6.2%

VACANCY RATE



YOY

630.1K SF

NET ABSORPTION



YOY

657.5K SF

UNDER CONSTRUCTION



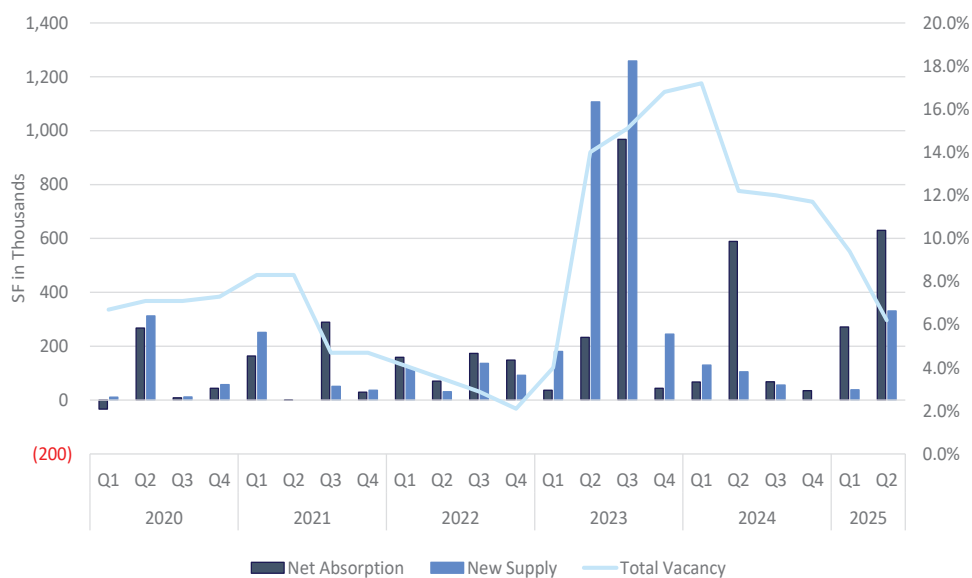
YOY

\$13.26/SF

OVERALL ASKING
LEASE RATE (NNN)

Activity

- DPR Construction signed for and moved into 325,219 SF at Grand Parkway 249, representing the largest lease for the quarter.
- Tomball Business and Technology's 2401 S Persimmon Street's building was also totally occupied, with Metal Zinc moving into 131,600 SF and Walsh and Albert moving into 64,900 SF.
- Seven buildings totaling 301,845 SF were delivered during the second quarter and were 85.2% preleased.



Source: Colliers, CoStar

Retail Highlights

- Vacancy marginally rose to 3.6% from 3.4% last quarter but is down 30 bps from the same period last year.
- Leasing activity of 38,095 SF falls in line with the average 40,349 SF for the preceding four quarters.
- Net absorption jumped to 112,823 SF from 26,759 SF last quarter and from 46,755 SF recorded in the equivalent period last year.
- Construction activity dropped to 162,527 SF from 243,422 SF last quarter and from 184,727 SF last year.
- Average asking lease rates declined to \$22.48 PSF, down 4.4% from Q1 and down 4.7% year over year.

Tomball/Magnolia

CRE Snapshot

25Q2



3.6%

YOY

VACANCY RATE



112.8K SF

YOY

NET ABSORPTION



162.5K SF

YOY

UNDER CONSTRUCTION



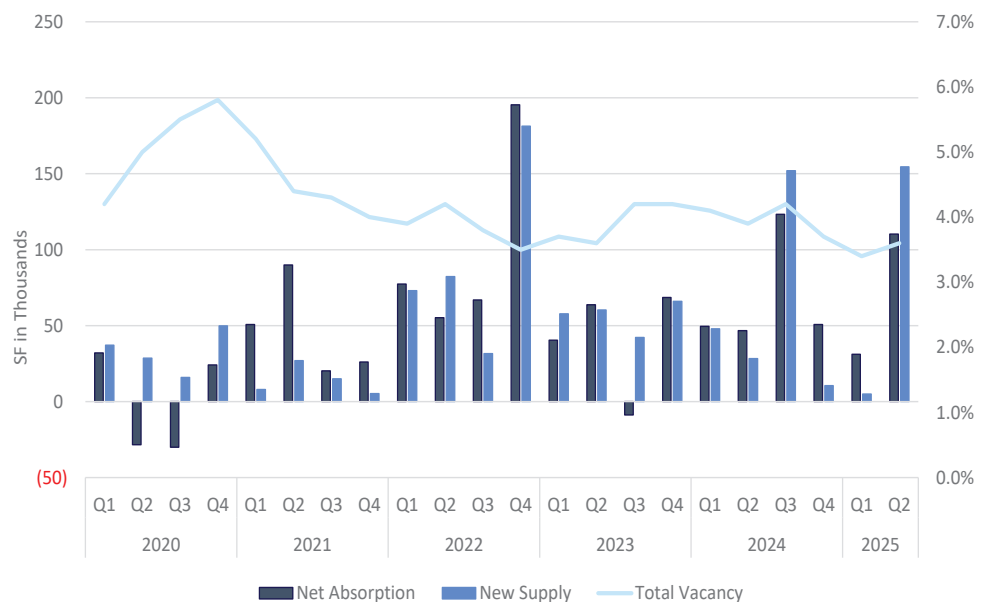
\$22.48/SF

YOY

OVERALL AVG ASKING LEASE RATE (NNN)

Activity

- Lowe's represented the largest delivery with a 94,000-SF store opening in Magnolia Village Shopping Center.
- The largest deal this quarter was Sam's Wholesale Club's 167,050-SF lease at The Grand at 249, a new 65-acre NewQuest development underway at SH 249 and the Grand Parkway.
- Several restaurants including Portillo's, Bojangles and Gringo's have opened in the center along with Starbucks and Jersey Mike's while numerous other retailers and restaurants are proposed.



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	287,048	22.4%	8.6%	8.5%	(131)	(131)	0	0	\$29.08
Tomball	714,203	5.6%	7.1%	6.4%	(4,860)	(10,419)	0	0	\$21.34
OVERALL GENERAL-PURPOSE TOTALS	1,001,251	10.4%	7.5%	7.0%	(4,991)	(10,550)	0	0	\$24.62
Medical Office									
Magnolia/Pinehurst	119,073	15.7%	12.3%	12.3%	0	33,000	0	33,000	\$39.49
Tomball	538,361	17.0%	10.1%	11.5%	7,541	13,641	25,900	0	\$30.04
OVERALL MEDICAL-OFFICE TOTALS	657,434	16.8%	10.5%	11.7%	7,541	46,641	25,900	33,000	\$32.19
Industrial									
Magnolia/Pinehurst									
Flex	149,114	2.0%	2.0%	7.4%	8,050	4,000	0	0	\$17.00
Industrial	1,961,009	5.6%	5.5%	5.5%	(1,666)	10,806	0	0	\$12.96
Magnolia/Pinehurst Totals	2,110,123	5.4%	5.3%	5.6%	6,384	14,806	0	0	\$12.99
Tomball									
Flex	710,767	7.5%	4.7%	3.7%	(7,296)	11,679	11,360	0	\$15.60
Industrial	7,720,842	13.7%	6.6%	11.0%	630,976	874,616	646,098	369,525	\$12.83
Tomball Totals	8,431,609	13.2%	6.5%	10.3%	623,680	886,295	657,458	369,525	\$13.40
OVERALL INDUSTRIAL TOTALS	10,541,732	11.6%	6.2%	9.4%	630,064	901,101	657,458	369,525	\$13.26
Retail									
Magnolia/Pinehurst	2,972,214	6.5%	3.3%	3.6%	108,497	115,725	94,019	109,000	\$23.36
Tomball	5,569,462	5.5%	3.8%	3.3%	4,326	23,857	68,508	50,514	\$20.88
OVERALL RETAIL TOTALS	8,541,676	5.9%	3.6%	3.4%	112,823	139,582	162,527	159,514	\$22.48

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.

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