

Colliers



Tomball/Magnolia

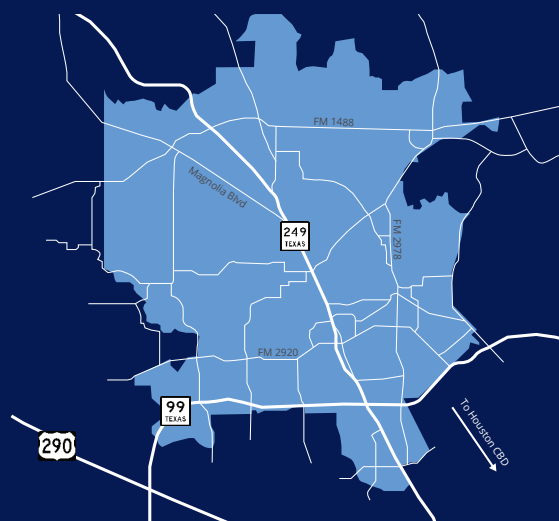
CRE Snapshot

25Q3

Office, Medical Office,
Industrial & Retail

KEY TAKEAWAYS

- Vacancy rates declined across all CRE sectors year over year and quarter over quarter, except for industrial, which recorded a slight quarterly increase.
- The industrial pipeline continues expanding with 29 projects totaling 1.2M SF currently underway.





Office Highlights

- Vacancy fell to 7.0% from 7.5% last quarter and a significant drop from 9.1% year over year.
- Net absorption reached 5,038 SF, rebounding from both the negative 4,991 SF recorded last quarter and the negative 7,637 SF from a year ago.
- Average asking lease rates rose 7.3% to \$26.41 PSF from \$24.62 PSF in the prior quarter and from \$26.01 PSF year over year.

Tomball/Magnolia

CRE Snapshot 25Q3



7.0%

VACANCY RATE



5.0K SF

NET ABSORPTION



0 SF

UNDER CONSTRUCTION

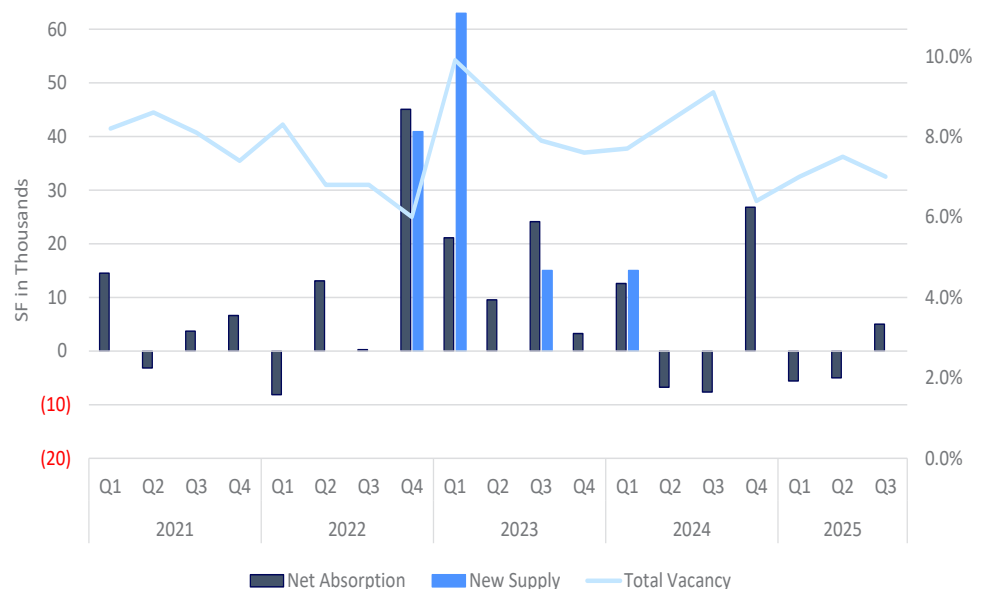


\$26.41/SF

OVERALL AVG ASKING
LEASE RATE (FSG)

Activity

- No office buildings are currently under construction, and no deliveries were reported in the third quarter.
- Leasing activity dropped to 1,234 SF during the third quarter, down from 7,490 SF recorded the prior quarter and down from 5,522 SF a year ago.



Source: Colliers, CoStar



Medical Office Highlights

- Vacancy improved to 8.6% from 9.3% last quarter and 12.4% year over year.
- Net absorption slowed to 4,748 SF from 7,541 SF last quarter but remains above the negative 5,255 SF recorded last year.
- One 25,900-SF medical office condo is currently in the pipeline.
- Average asking lease rates edged up to \$32.00 PSF from \$29.97 PSF last quarter, showing an 18.0% increase from \$27.12 PSF in the same period last year.

Activity

- No medical-office deliveries occurred during the third quarter, with only one 33,000-SF building delivered in the last two years.
- Following a strong fourth quarter last year with an annual 2024 leasing total of 37,162 SF, this year's leasing volume dropped to six deals totaling 7,322 SF; three totaling 4,858 SF were signed in the third quarter.

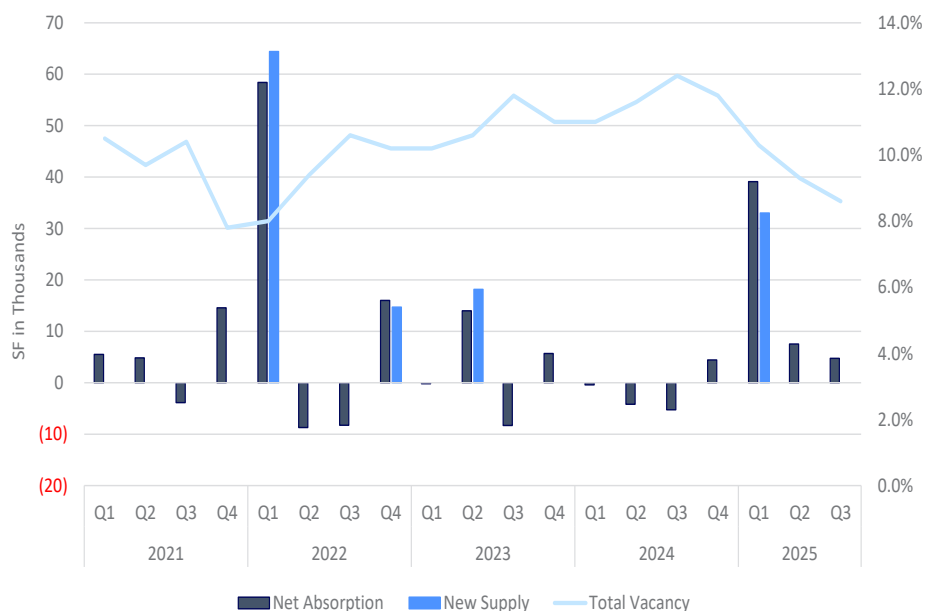
Tomball/Magnolia CRE Snapshot 25Q3

▼ **8.6%**
YOY VACANCY RATE

▲ **4.7K SF**
YOY NET ABSORPTION

▼ **25.9K SF**
YOY UNDER CONSTRUCTION

▲ **\$32.00/SF**
YOY OVERALL AVG ASKING LEASE RATE (FSG)



Source: Colliers, CoStar



Industrial Highlights

- Vacancy rose to 7.6%, up from 6.9% last quarter but down from 12.1% a year ago.
- Net absorption of 97,369 SF is a sharp decline from the previous quarter's 653,994 SF, yet above the 65,803 SF recorded last year. Year-to-date absorption stands at 1.0M SF.
- Construction activity surged 61.7% to 1.2M SF from 757,088 SF last quarter, and more than tripled from the 343,573 SF a year ago. The largest property underway is Northwest 99 Business Park I, a 425,350-SF distribution warehouse developed by Clay Development & Construction.

Activity

- Klauer Manufacturing occupied its new 40,200-SF warehouse/manufacturing facility at 21609 Hufsmith-Kohrville in the Tomball Business & Technology Park.
- Dicar moved into its new 58,488-SF manufacturing facility in Grand Parkway Building 1 at 9340 FM 2920 in Tomball.
- Leasing volume plunged to 11,700 SF, down from 460,452 SF last quarter.
- Nine buildings totaling 195,840 SF were delivered during the third quarter, with 22.6% preleased.

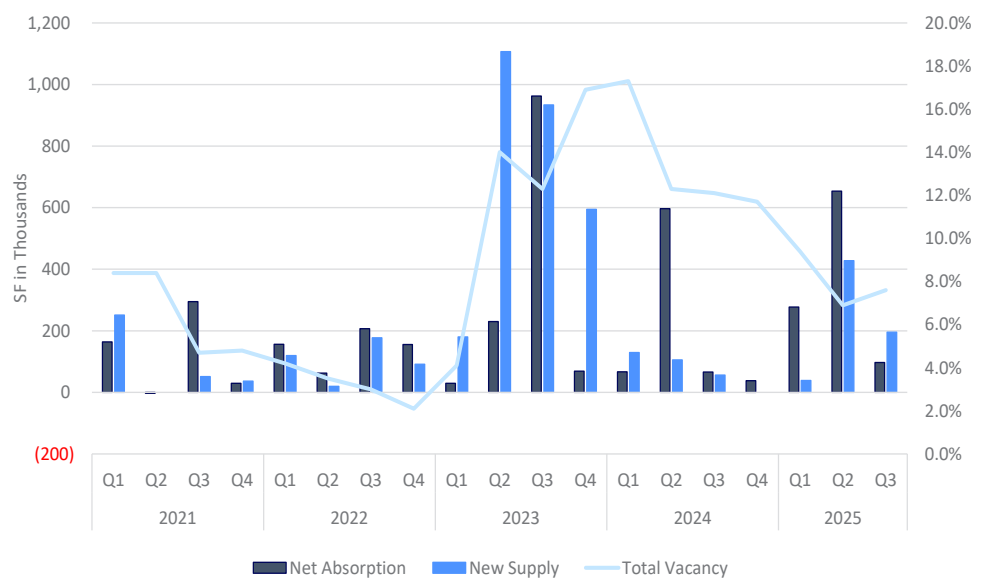
Tomball/Magnolia CRE Snapshot 25Q3

▼ **7.6%**
YOY VACANCY RATE

▲ **97.4K SF**
YOY NET ABSORPTION

▲ **1.2M SF**
YOY UNDER CONSTRUCTION

▼ **\$12.69/SF**
YOY OVERALL ASKING LEASE RATE (NNN)



Source: Colliers, CoStar

Retail Highlights

- Vacancy fell 30 basis points from second quarter to 3.6% and is down 70 bps from the same period last year.
- Net absorption declined 38.0% to 70,926 SF from 114,323 SF last quarter, similar to the total year over year.
- Construction dipped 1.6% to 109,236 SF in third quarter but fell 40.4% from 183,331 SF a year ago.
- Average asking lease rates declined to \$21.89 PSF, down 1.3% quarter over quarter and down 9.2% year over year.

Tomball/Magnolia

CRE Snapshot

25Q3



3.6%

YOY

VACANCY RATE



70.9K SF

YOY

NET ABSORPTION



109.2K SF

YOY

UNDER CONSTRUCTION



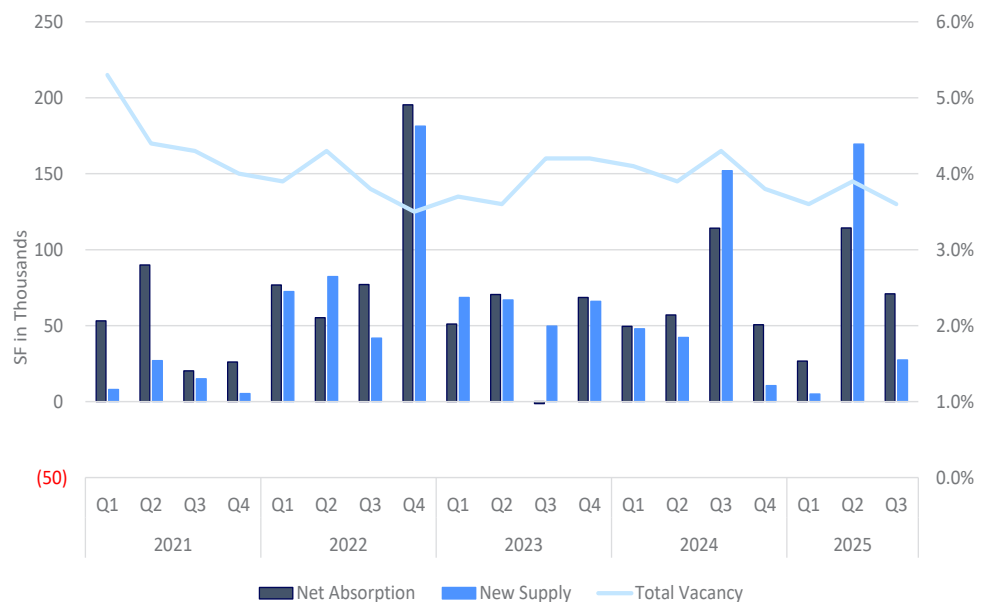
\$21.89/SF

YOY

OVERALL AVG ASKING LEASE RATE (NNN)

Activity

- Chick-fil-A and BoomerJack's Grill both plan 2026 openings at The Grand at 249, NewQuest's 65-acre development underway at 249 and the Grand Parkway. The restaurants are joining several others along with a proposed Sam's Club in the development.
- Currently 11 retail buildings are under construction totaling 109,236 SF, with the largest being a 30,000-SF center at FM 1488 and Mill Creek Road in Magnolia.
- Leasing activity fell to 23,542 SF, continuing the descending 2025 trend, with the current quarter volume down 55.1% from the same period last year.



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	21.2%	7.8%	8.6%	2,031	1,900	0	0	\$30.86
Tomball	714,203	5.4%	6.6%	7.1%	3,007	(7,412)	0	0	\$22.53
OVERALL GENERAL-PURPOSE TOTALS	1,001,251	9.9%	7.0%	7.5%	5,038	(5,512)	0	0	\$26.41
Medical Office									
Magnolia/Pinehurst	105,132	8.9%	8.9%	10.3%	1,512	34,512	0	33,000	\$29.47
Tomball	599,402	14.5%	8.5%	9.1%	3,236	16,877	25,900	0	\$32.46
OVERALL MEDICAL-OFFICE TOTALS	704,534	13.7%	8.6%	9.3%	4,748	51,389	25,900	33,000	\$32.00
Industrial									
Magnolia/Pinehurst									
Flex	159,114	8.2%	8.2%	2.0%	0	4,000	0	10,000	\$0.00
Industrial	1,949,309	5.8%	5.6%	5.6%	(825)	9,981	0	0	\$13.04
Magnolia/Pinehurst Totals	2,108,423	5.9%	5.8%	5.3%	(825)	13,981	0	10,000	\$13.04
Tomball									
Flex	692,867	6.7%	5.1%	4.8%	(2,000)	6,879	11,360	0	\$15.63
Industrial	8,035,852	19.5%	8.3%	7.4%	100,194	1,007,840	1,212,482	651,795	\$12.09
Tomball Totals	8,728,719	18.6%	8.1%	7.2%	98,194	1,014,719	1,223,842	651,795	\$12.61
OVERALL INDUSTRIAL TOTALS	10,837,142	16.4%	7.6%	6.9%	97,369	1,028,700	1,223,842	661,795	\$12.69
Retail									
Magnolia/Pinehurst	3,031,584	5.7%	3.2%	3.6%	20,984	136,709	60,319	116,200	\$24.20
Tomball	5,564,121	5.0%	3.8%	4.0%	49,942	75,240	48,917	85,772	\$20.84
OVERALL RETAIL TOTALS	8,595,705	5.2%	3.6%	3.9%	70,926	211,949	109,236	201,972	\$21.89

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.

On the cover: The photo on the cover shows Klauer Manufacturing's new warehouse/manufacturing facility at 21609 Hufsmith-Kohrville in the Tomball Business & Technology Park.

FOR MORE INFORMATION

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