

The Colliers logo is located in the top right corner. It consists of the word "Colliers" in a white serif font, centered within a blue rectangular box. Below the text, there are three horizontal stripes: a yellow one on top, a red one in the middle, and a blue one on the bottom.

Commercial Real Estate Update

Presented by Danny Rice,
President of Colliers Houston

From Stadiums to Skylines

Real Estate Trends in World Cup Host Cities



FROM STADIUMS TO SKYLINES:
Real Estate Trends in World Cup Host Cities

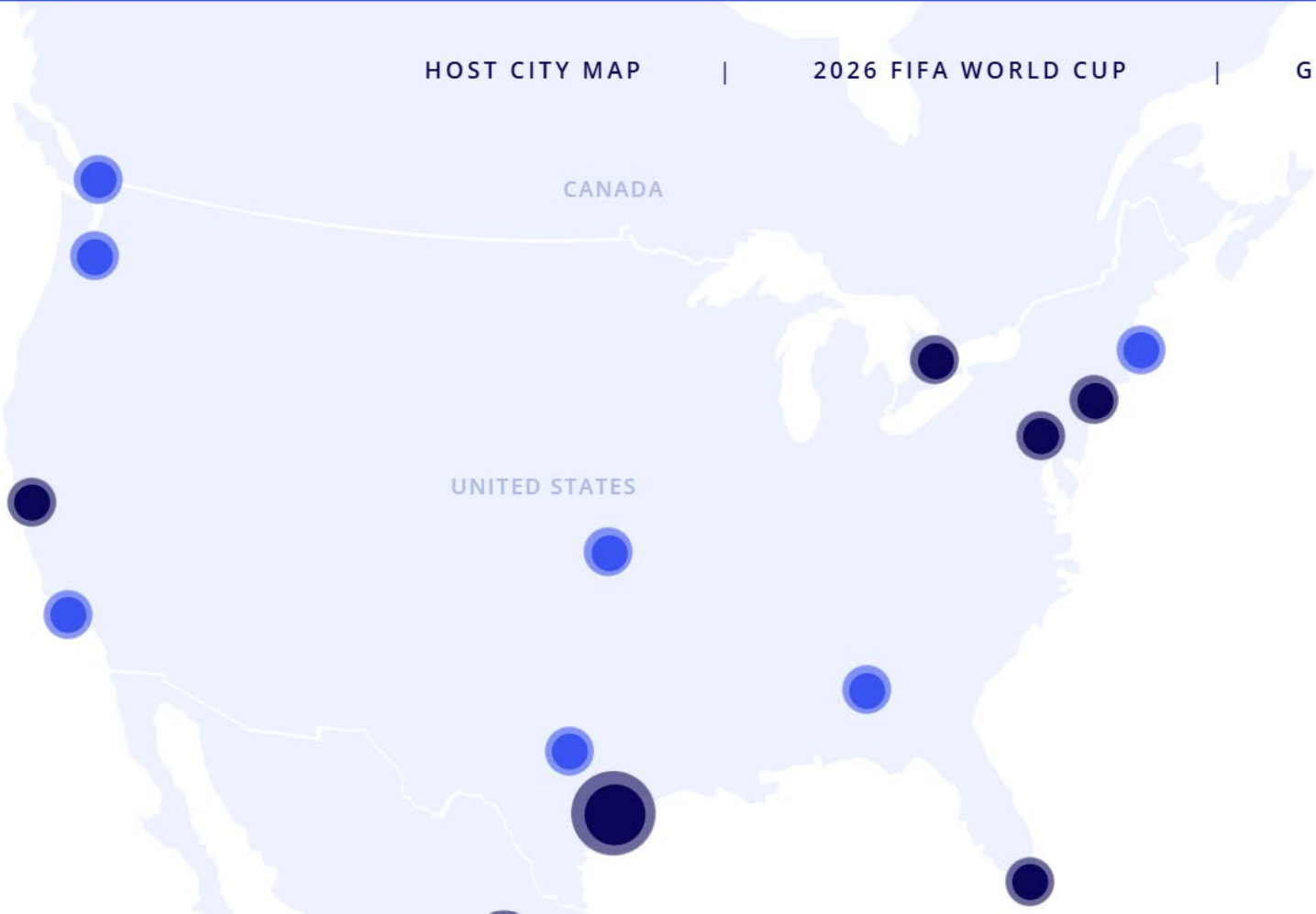
Resources

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LOS ANGELES REPORT NOW AVAILABLE

HOST CITY MAP | 2026 FIFA WORLD CUP | GLOBAL IMPACT | TIMELINE



Houston



7.6M
Total Population
(2024 Estimate)



24
Fortune 500 HQs



36%
with College
Degree



\$555.4
Gross Metro Product
(\$B - US Dollar)

ECONOMIC DRIVERS

Energy & Resources | Manufacturing | Logistics |
Healthcare | Aerospace



A nighttime photograph of a city skyline, likely New York City, featuring numerous illuminated skyscrapers against a dark blue sky. In the foreground, a large, ornate building with a prominent dome is visible, possibly a government or institutional building. The scene is lit with warm city lights and cool blue tones from the twilight sky.

Trends to Watch

The Economy

Let's touch on employment numbers...

Employed

Growth or Contraction



Unemployed

Growth or Contraction



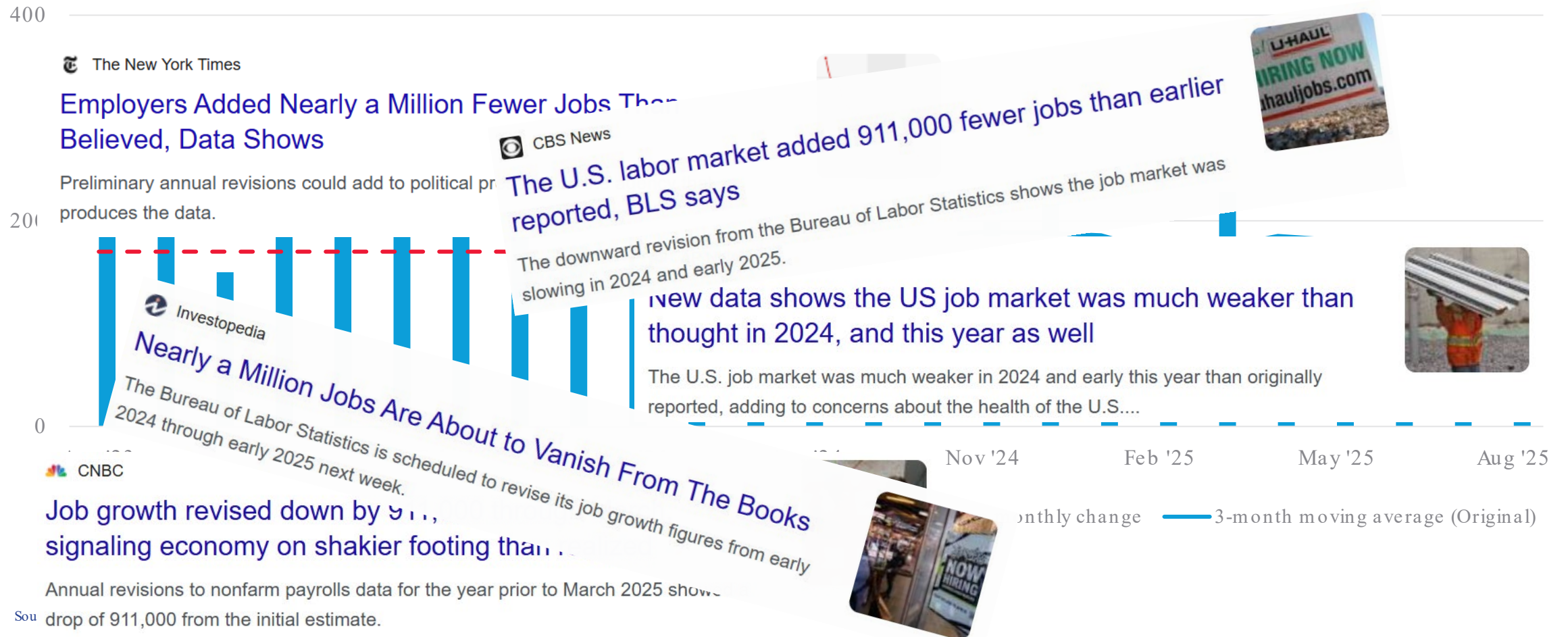
Wages

Growth or Contraction



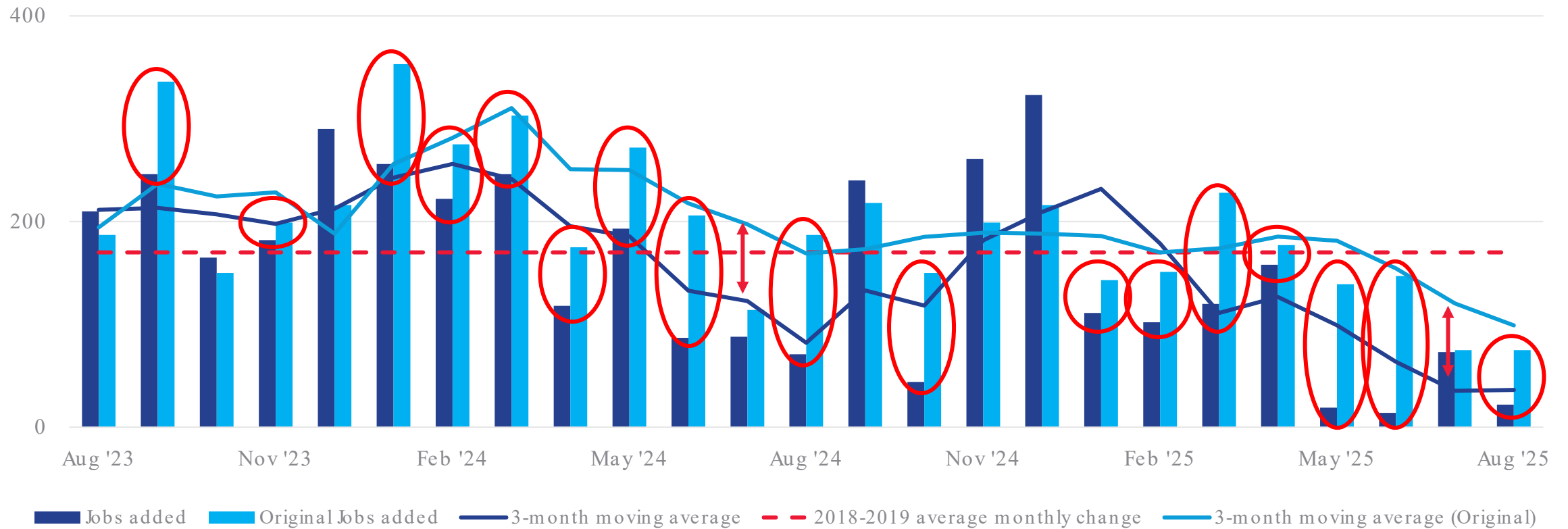
Labor figures show some softening

Monthly Employment Change (000s)



Revised figures show dramatic cooling

Monthly Employment Change (000s)

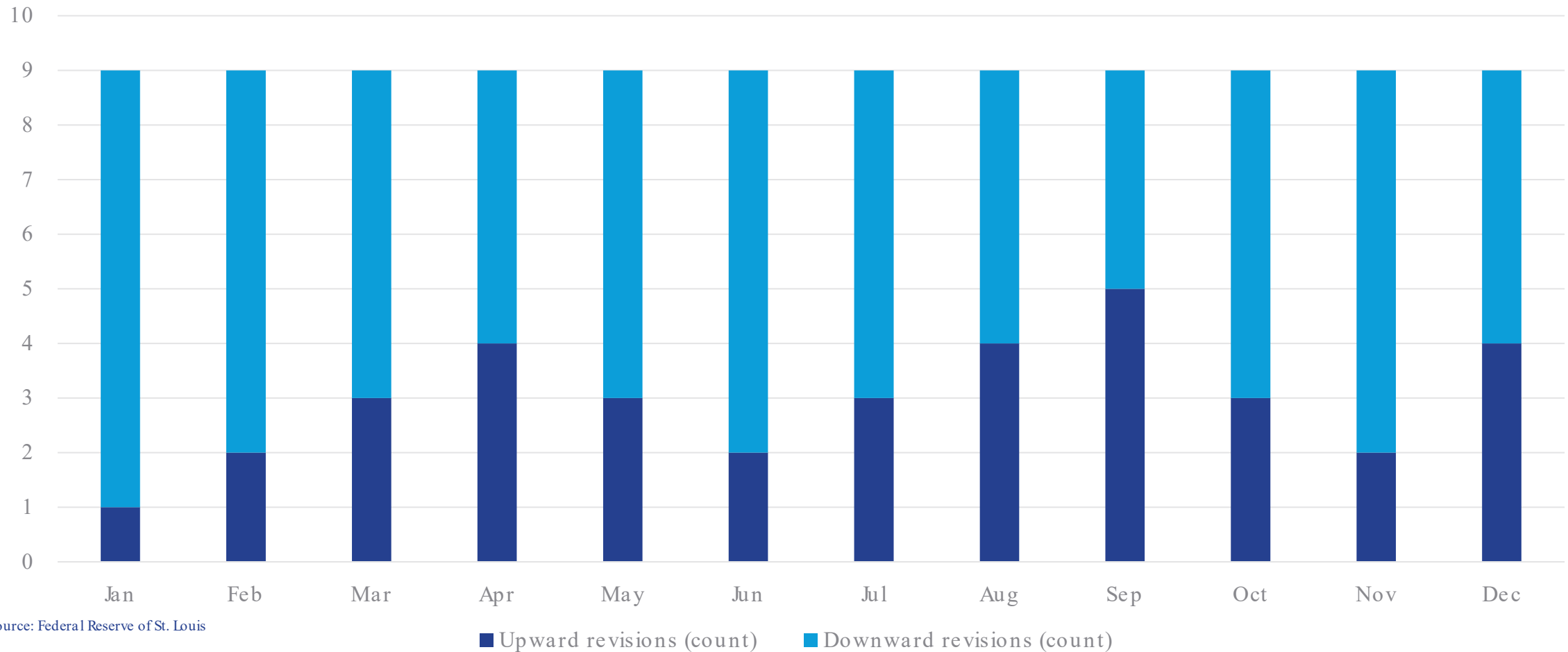




Warning – the information in this presentation may likely be incorrect, false or revised.
Proceed with caution.

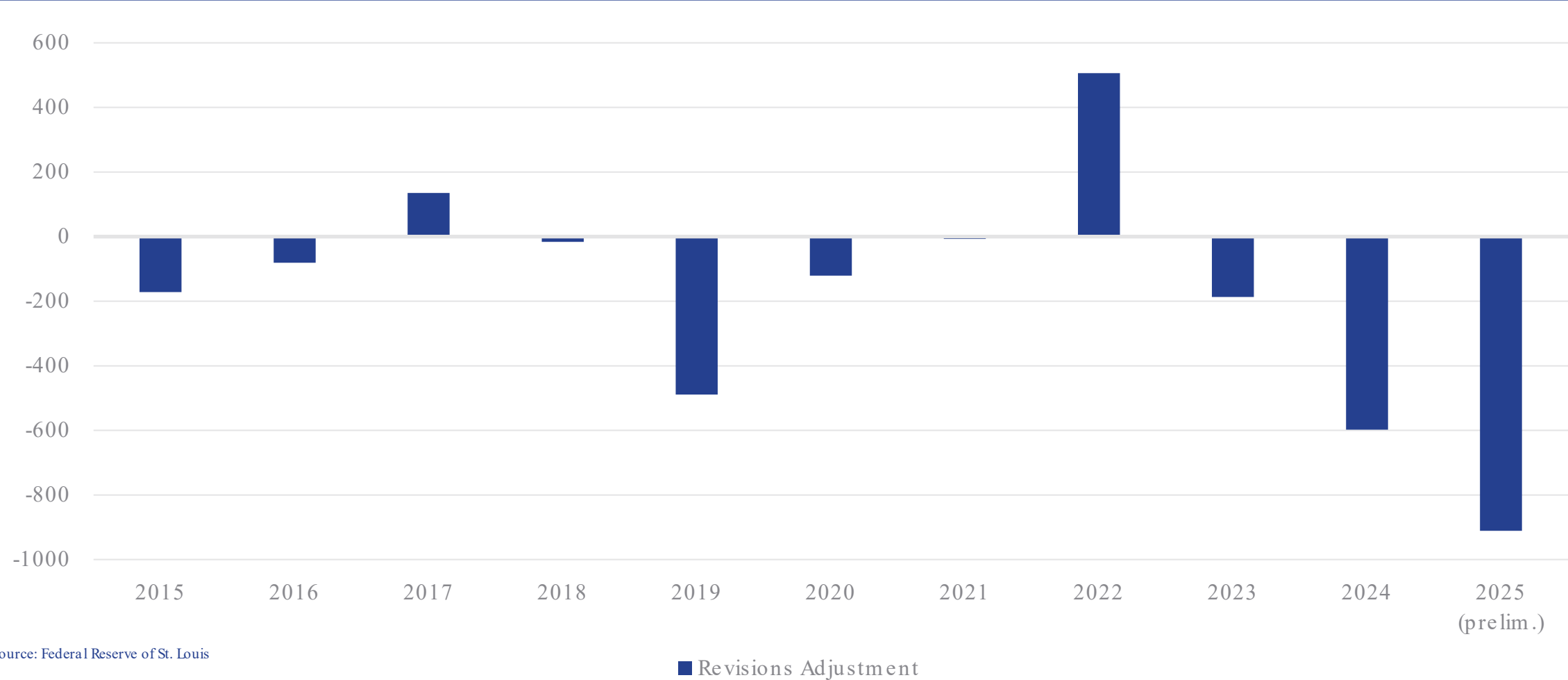
9 Year Revision Analysis

Which Months are Revised More?

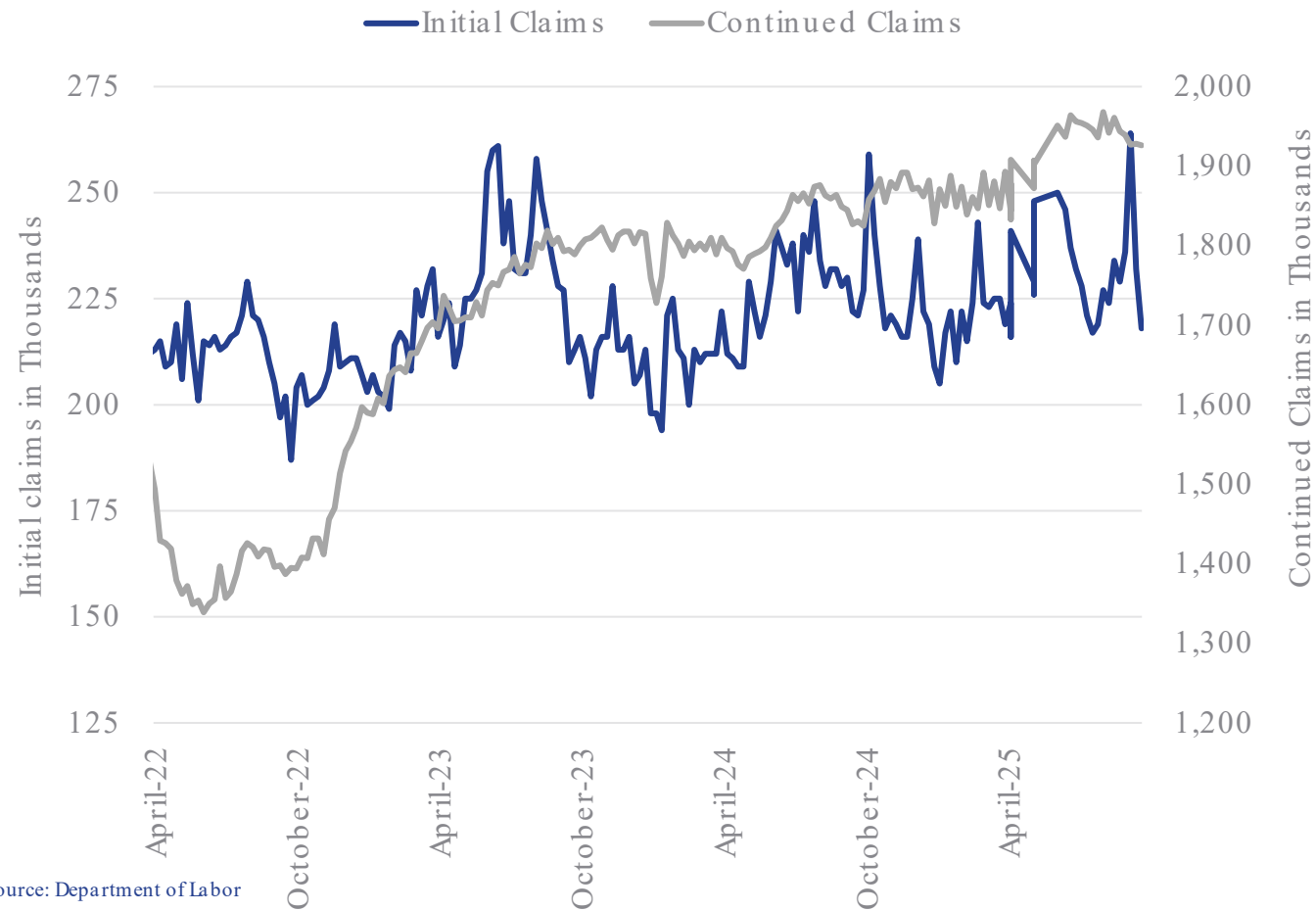


9 Year Revision Analysis

Year-by-Year Revision Analysis



Unemployment in check, but...

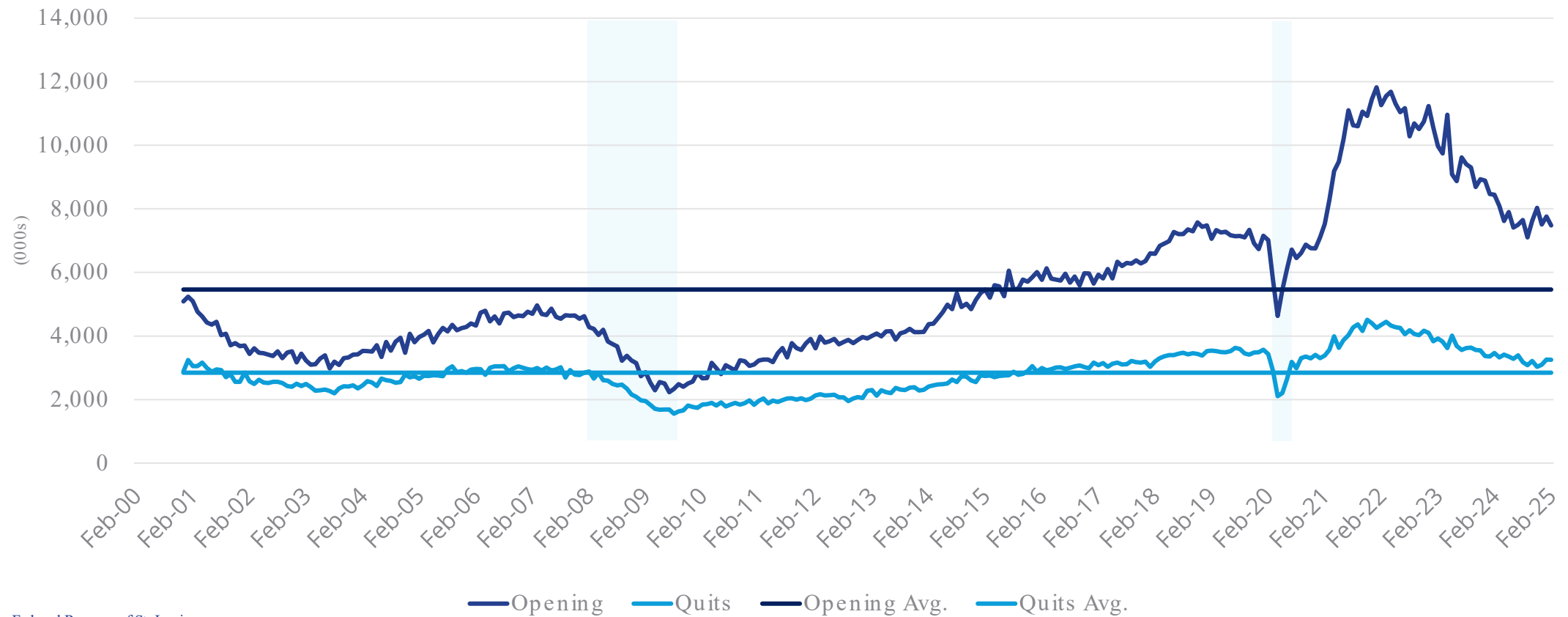


Source: Department of Labor

Continued claims are rising, suggesting that it is taking longer for unemployed workers to find new jobs

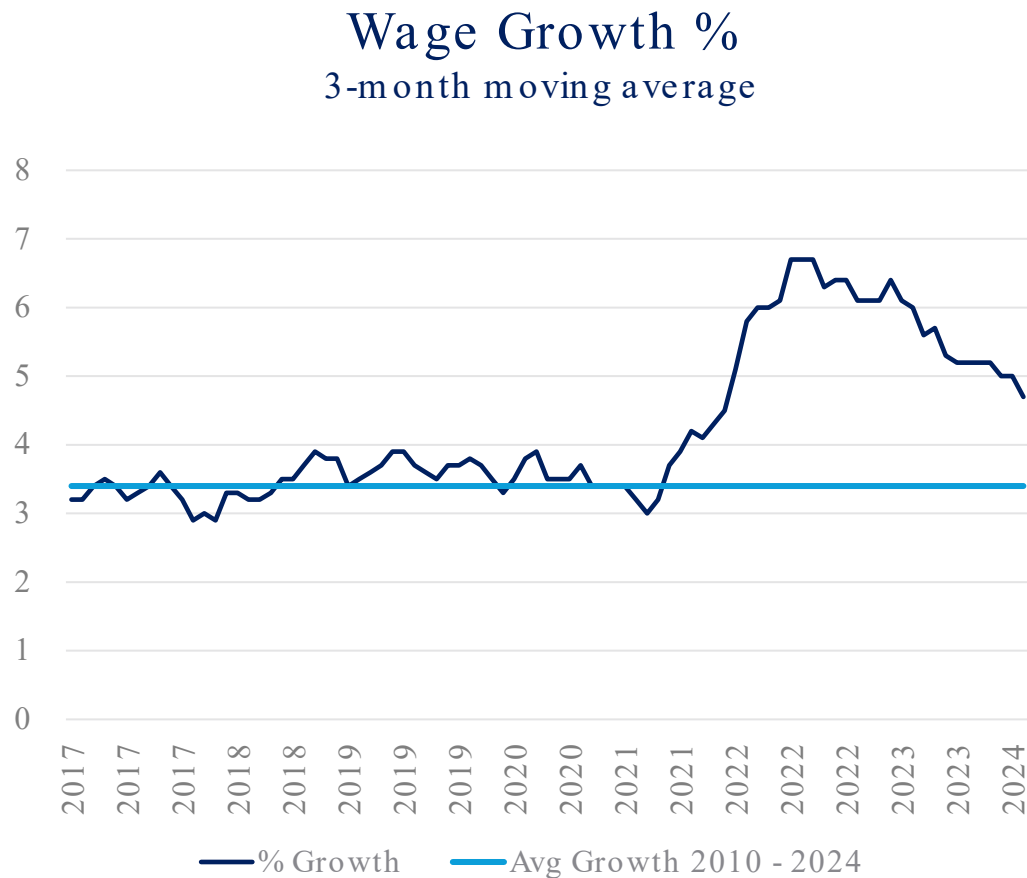
Job openings and quits – Total Nonfarm – February 2000 to August 2025

Job openings retreating to the delight of the Fed

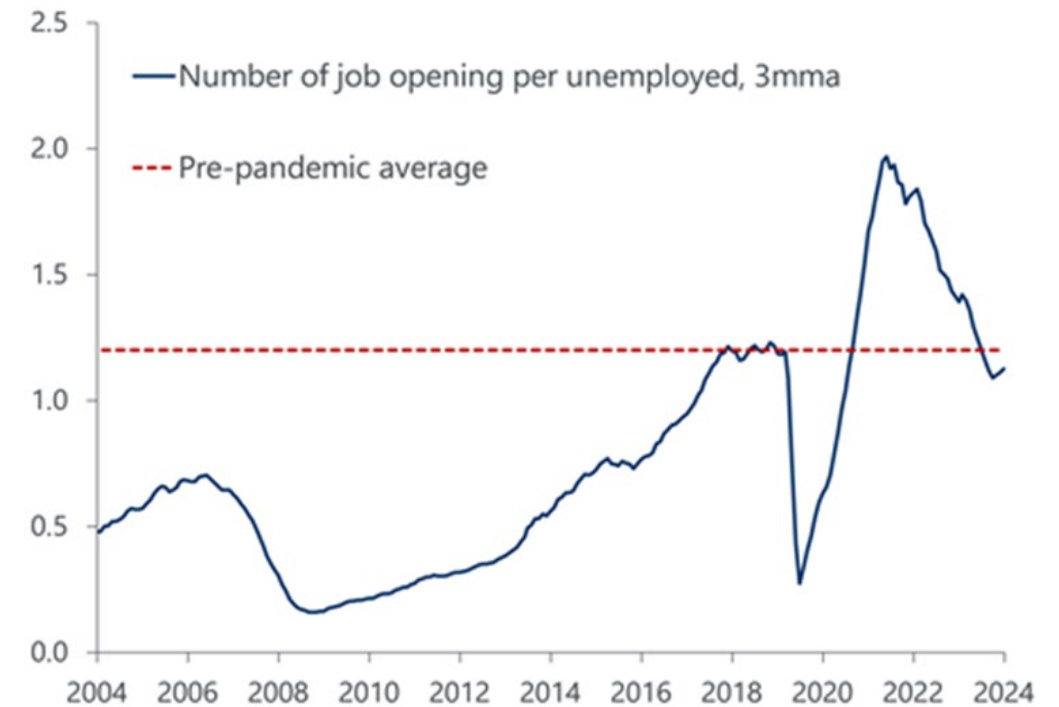


Source: Federal Reserve of St. Louis

Fed is no longer fixated on wage growth

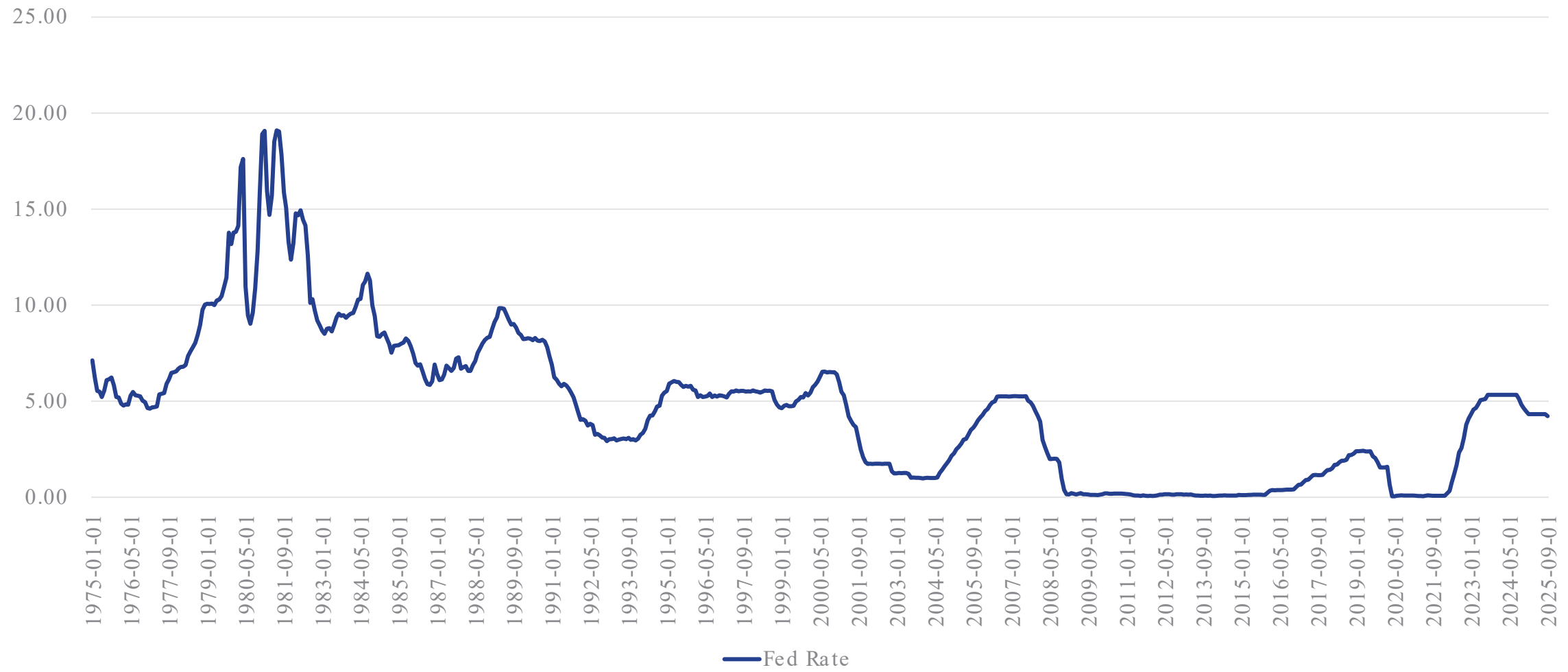


Number Open Jobs per Unemployed

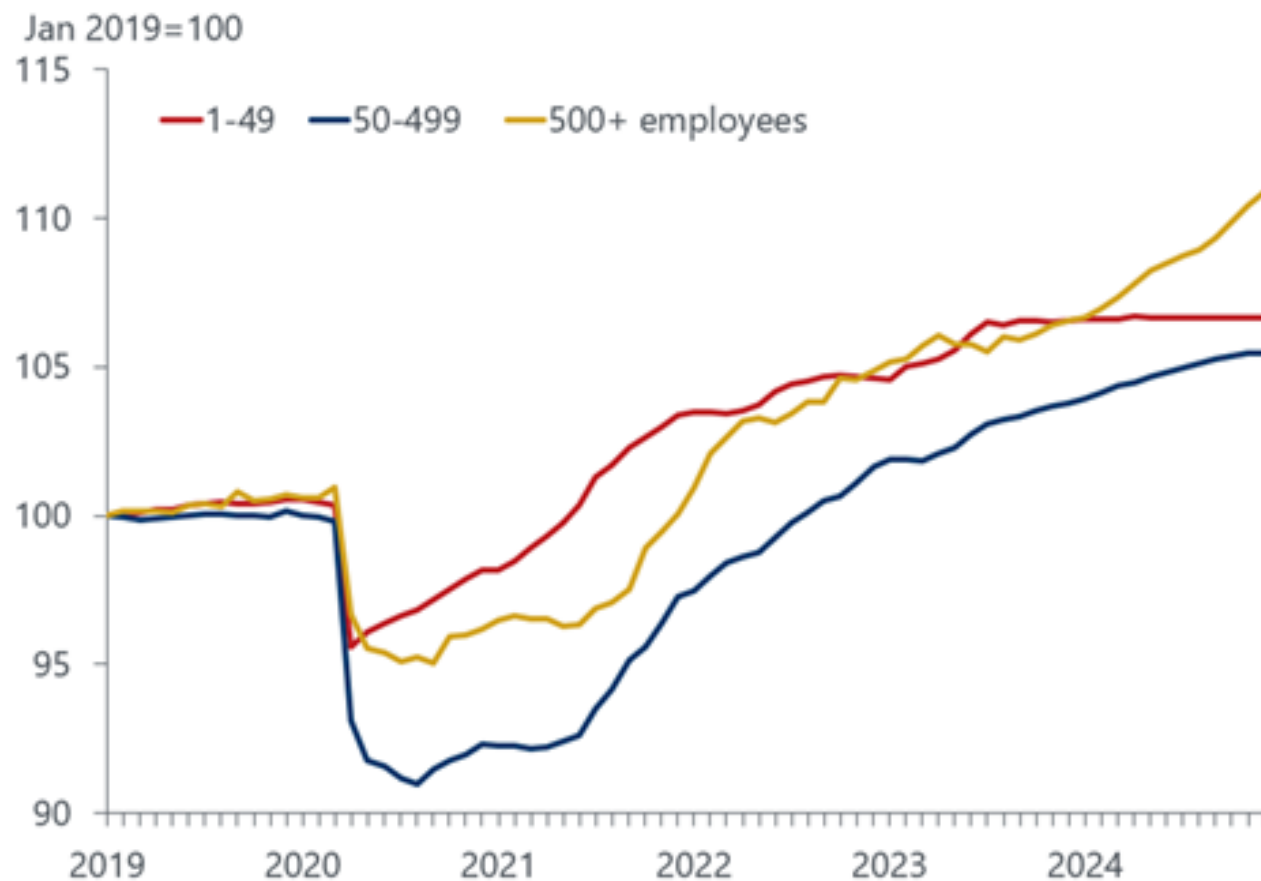


U.S. Capital Markets

Federal Funds Effective Rate



Employment by firm size



Source: Oxford Economics

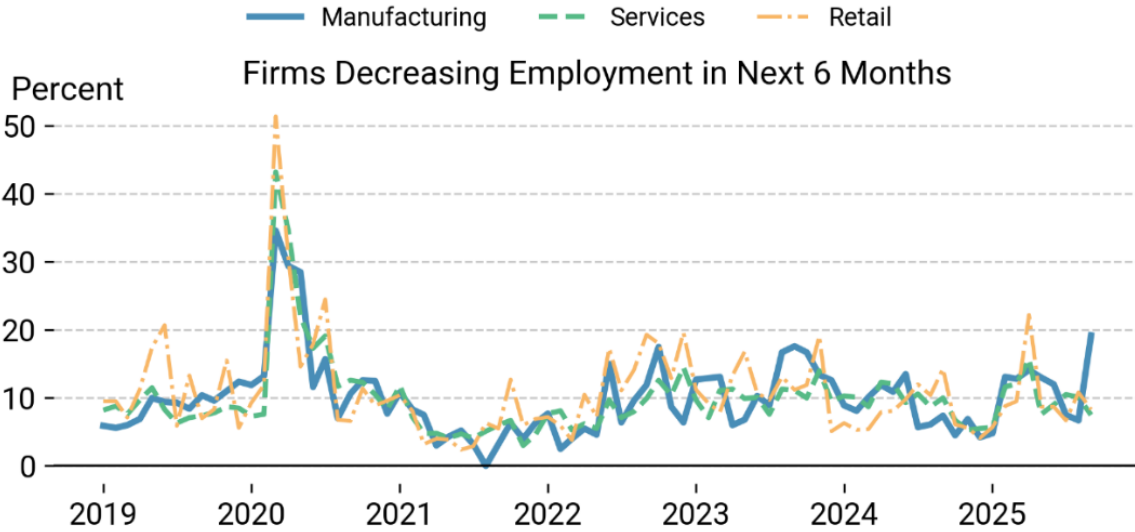
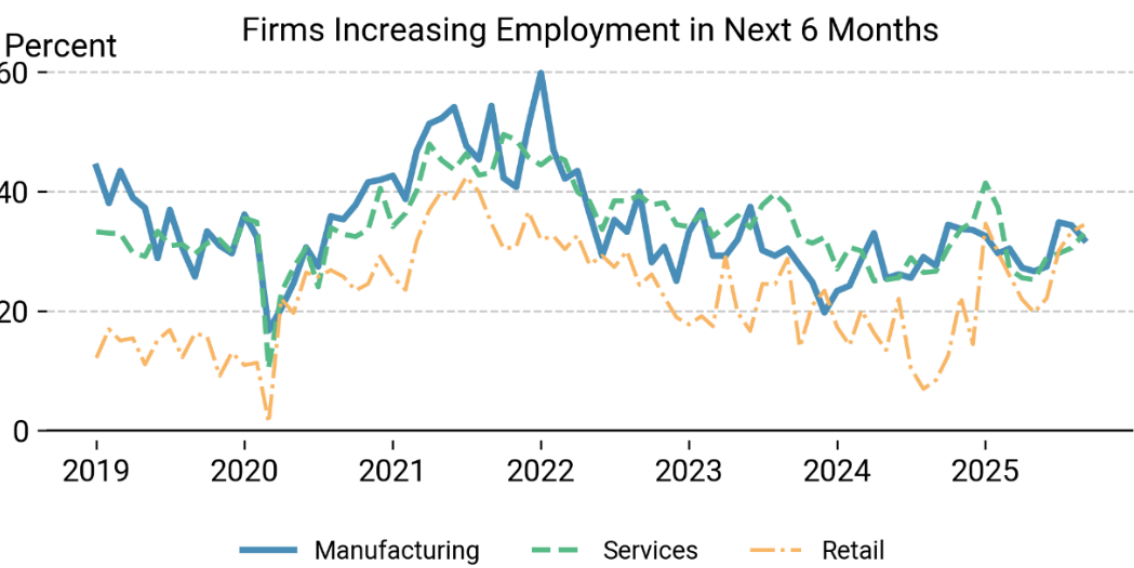


Small businesses are under pressure from high interest rates, elevated costs, a difficult lending backdrop, and softening sales



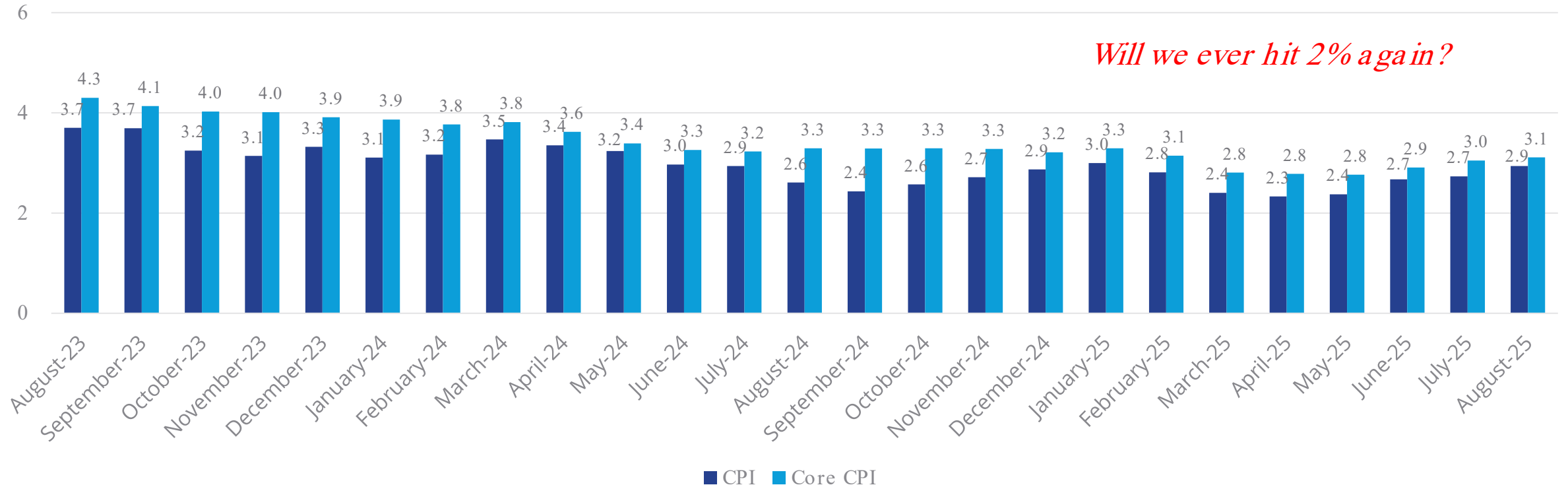
Business Community Survey

Texas Employment Outlook



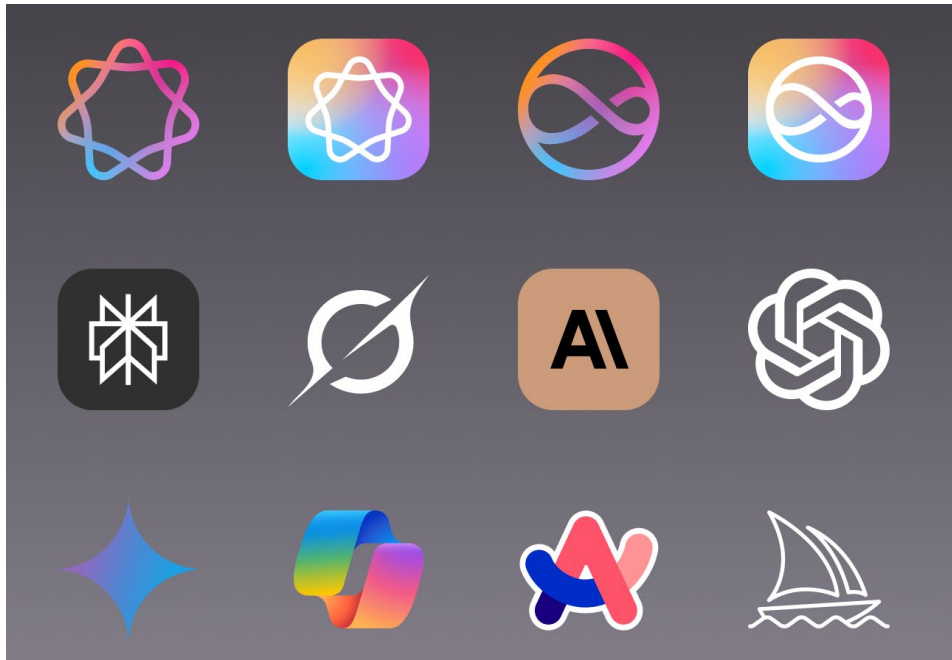
CPI and core CPI slightly above expectations

CPI – Annual % Increase



Artificial Intelligence

The Immediate Gratification World

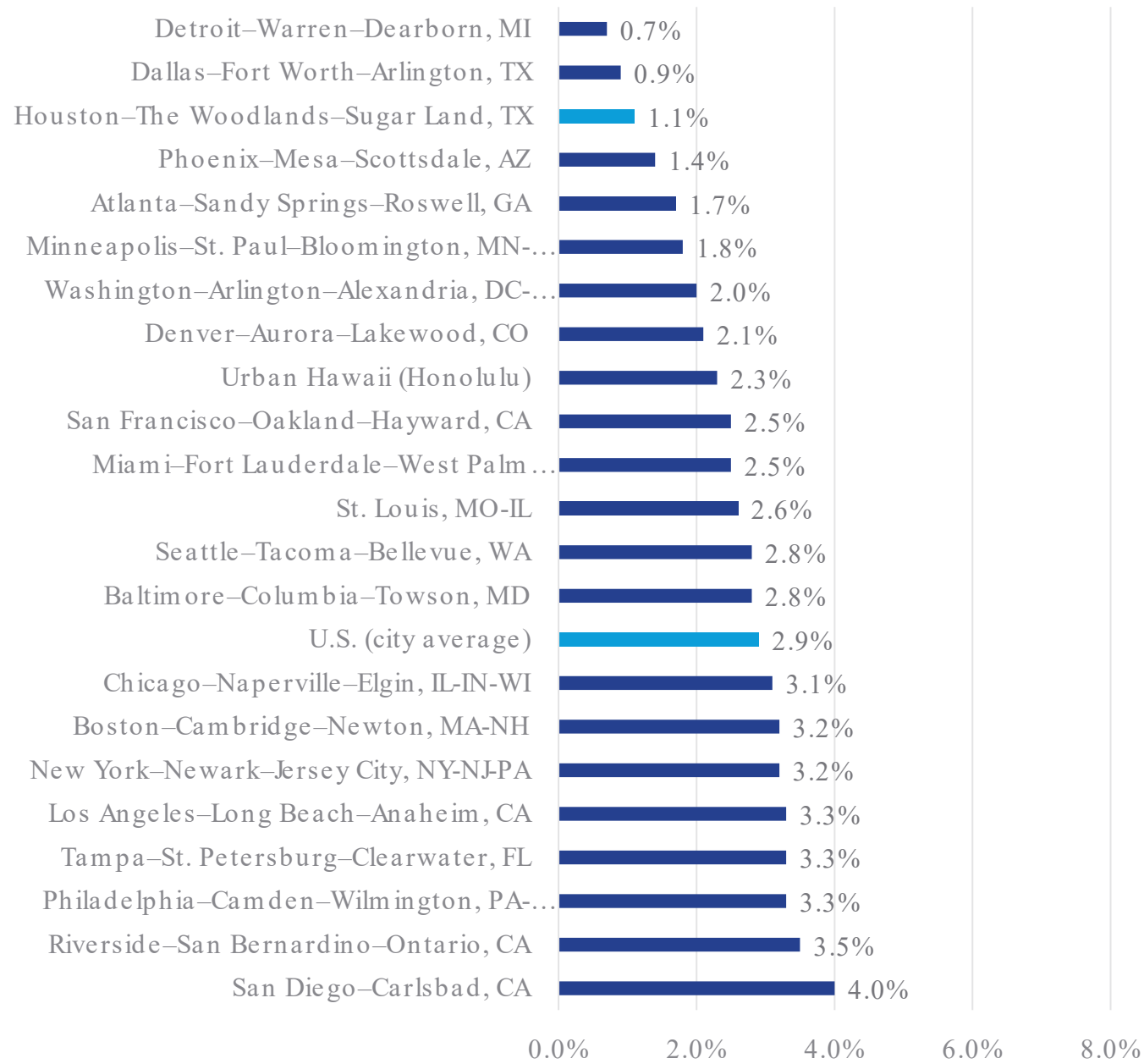


As AI democratizes information and problem-solving, it sustains momentum in the economy by empowering individuals and organizations to make smarter, faster, and more informed decisions than ever before.



Consumer Price Index (CPI), not seasonally adjusted (June)

Where is inflation hurting consumers the most?



The past four years

A Period of Extremes



HIT TO
OUTPUT



Why yes, I'm a bit stressed.
Why do you ask?



TIGHTENING &
LOOSENING
OF MONETARY
POLICY

Rank			
1 st	35 Days	Dec. 22, 2018 to Jan 25, 2019	Donald Trump
2 nd	21 Days	Dec 16, 1995 to Jan 6, 1996	Bill Clinton

Property-by-property

Houston & Tomball Market Stats

A photograph of a modern glass skyscraper interior. In the foreground, a man in a dark suit and a woman in a black dress are walking away from the camera. In the background, other people are visible, including a man in a light blue jacket and a woman in a blue jacket. The building has a curved glass facade and a polished floor that reflects the people and the building's structure.

Q3 2025

Sales & Capital Markets Activity

U.S. Capital Markets

Sales Activity Showing Positive Signs (Finally!)

Monthly
Market
FiguresAugust Sales Stats and
September CMBS Data

Multifamily

\$12.5 bn
Sales Volume

↓ -8%
YOY

↑ 3%
MOM

6.59% CMBS
Default Rate

↓ -0.27%
MOM



Industrial

\$7.4 bn
Sales Volume

↓ -15%
YOY

↓ -5%
MOM

0.56% CMBS
Default Rate

↑ -0.04%
MOM



Office

\$6.0 bn
Sales Volume

↑ 17%
YOY

↑ 34%
MOM

11.13% CMBS
Default Rate

↓ -0.53%
MOM



Retail

\$4.7 bn
Sales Volume

↓ -11%
YOY

↓ -7%
MOM

6.76% CMBS
Default Rate

↑ 0.34%
MOM



Hospitality

\$2.0 bn
Sales Volume

↓ -27%
YOY

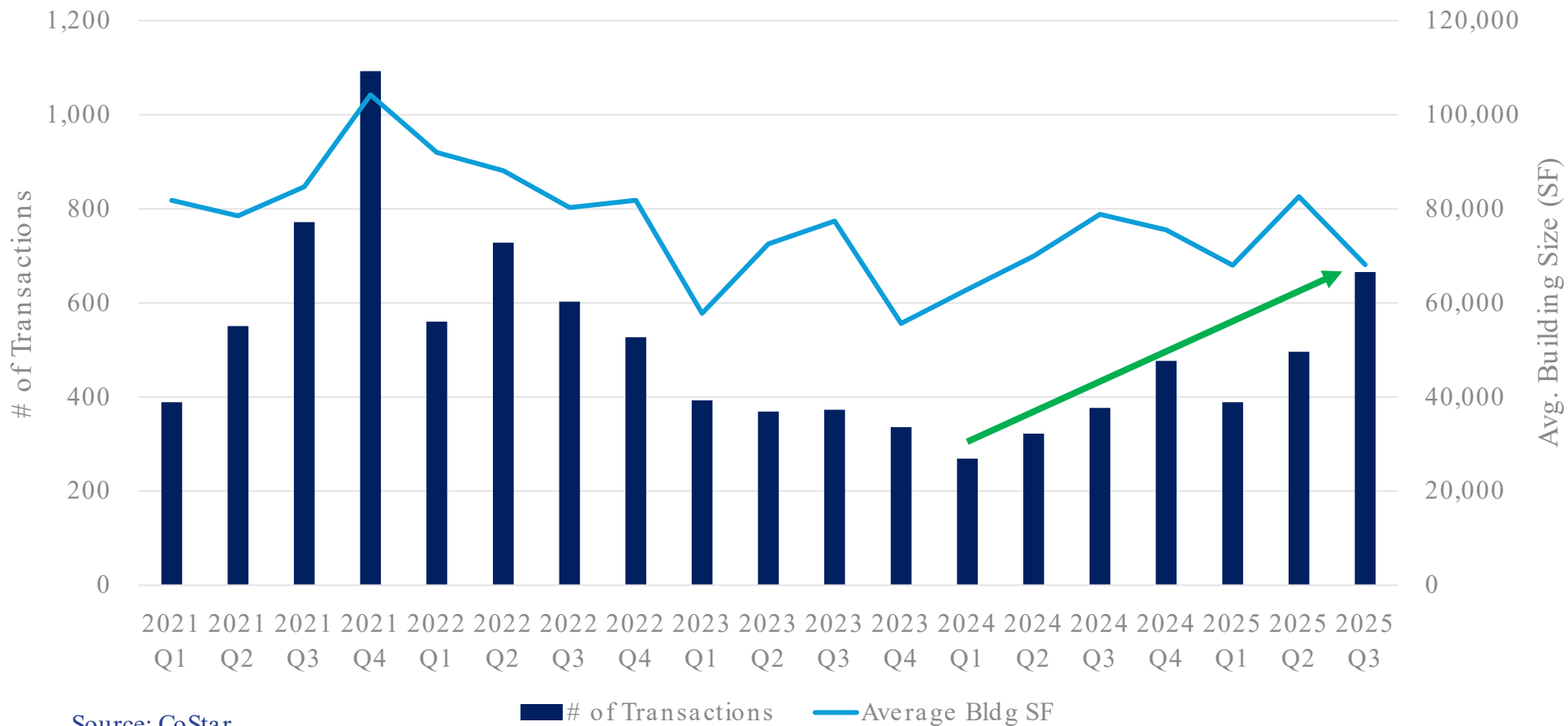
↑ 57%
MOM

5.81% CMBS
Default Rate

↓ -0.73%
MOM

Greater Houston Market: Q3 2025

Property Sales (All types): Activity is Back!

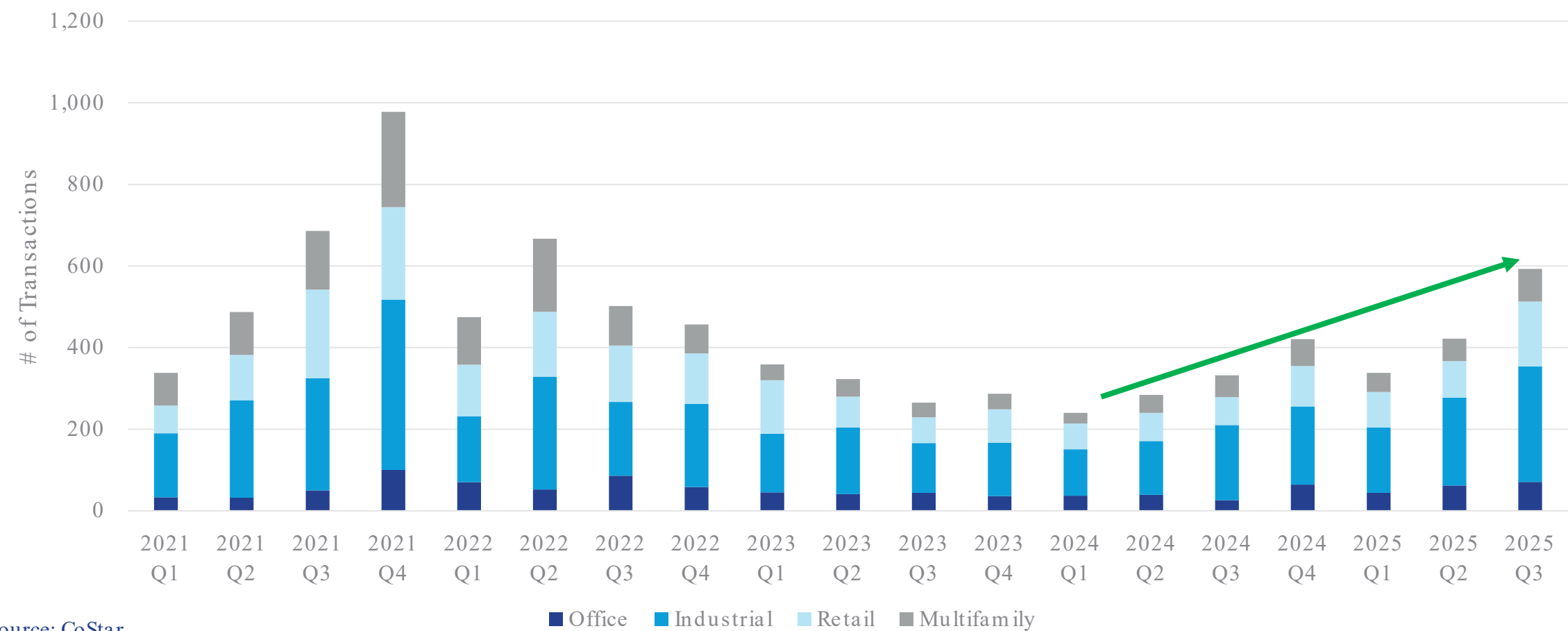


Highest # of Transactions in 3 years

4th highest in 10 years

Greater Houston Market: Q3 2025

Property Sales: Activity is Back Across the Board!



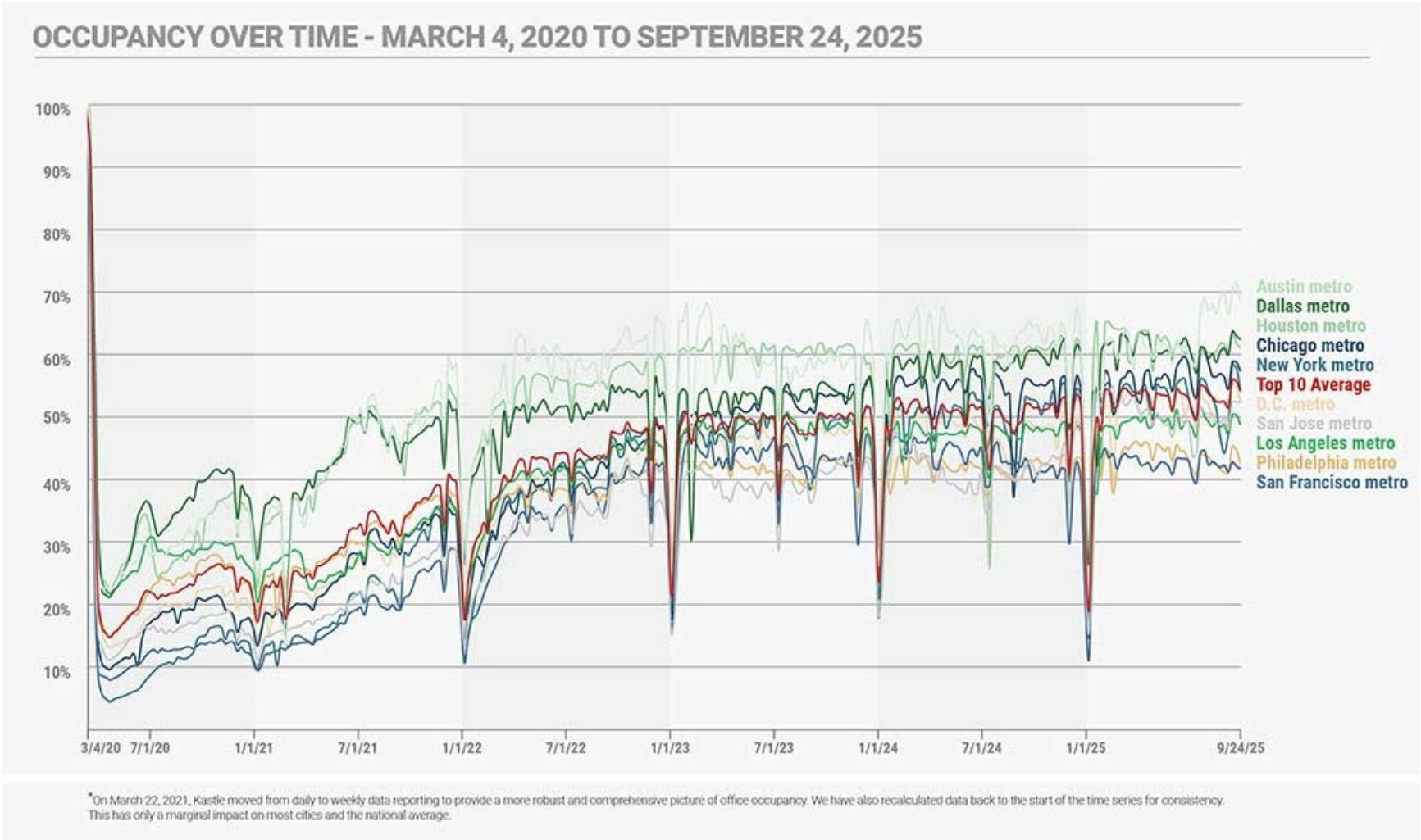
Source: CoStar

A photograph of a modern office building's interior. The space is characterized by large glass windows and a high ceiling. Several people in business attire are walking through the space. The floor is highly reflective, showing the silhouettes of the people and the building's structure. The overall atmosphere is professional and bright.

Q3 2025

Office Properties

Kastle Back to Work Barometer



Tom ball Office Market: Q3 2025

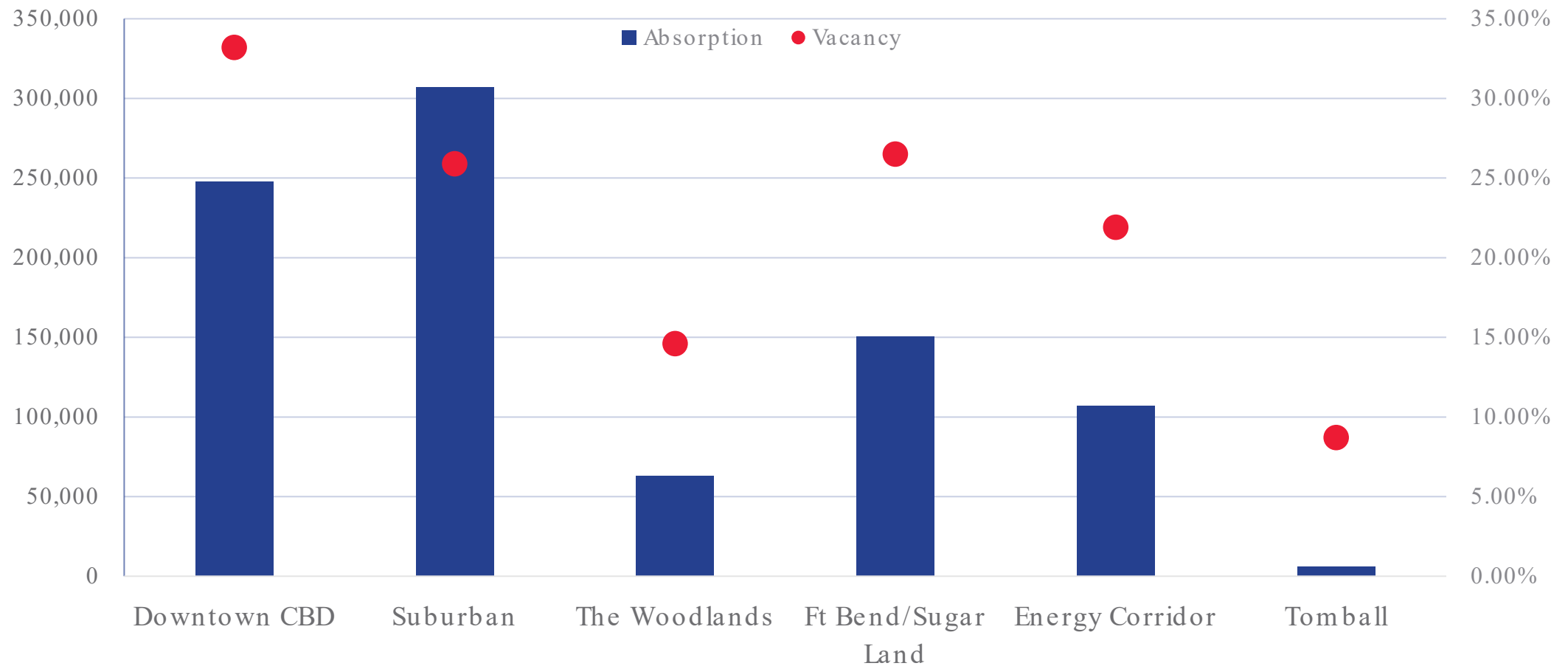
Vacancy eclipses record set during GFC



Source: Colliers, Costar Analytics

Tomball Office Market: Q3 2025

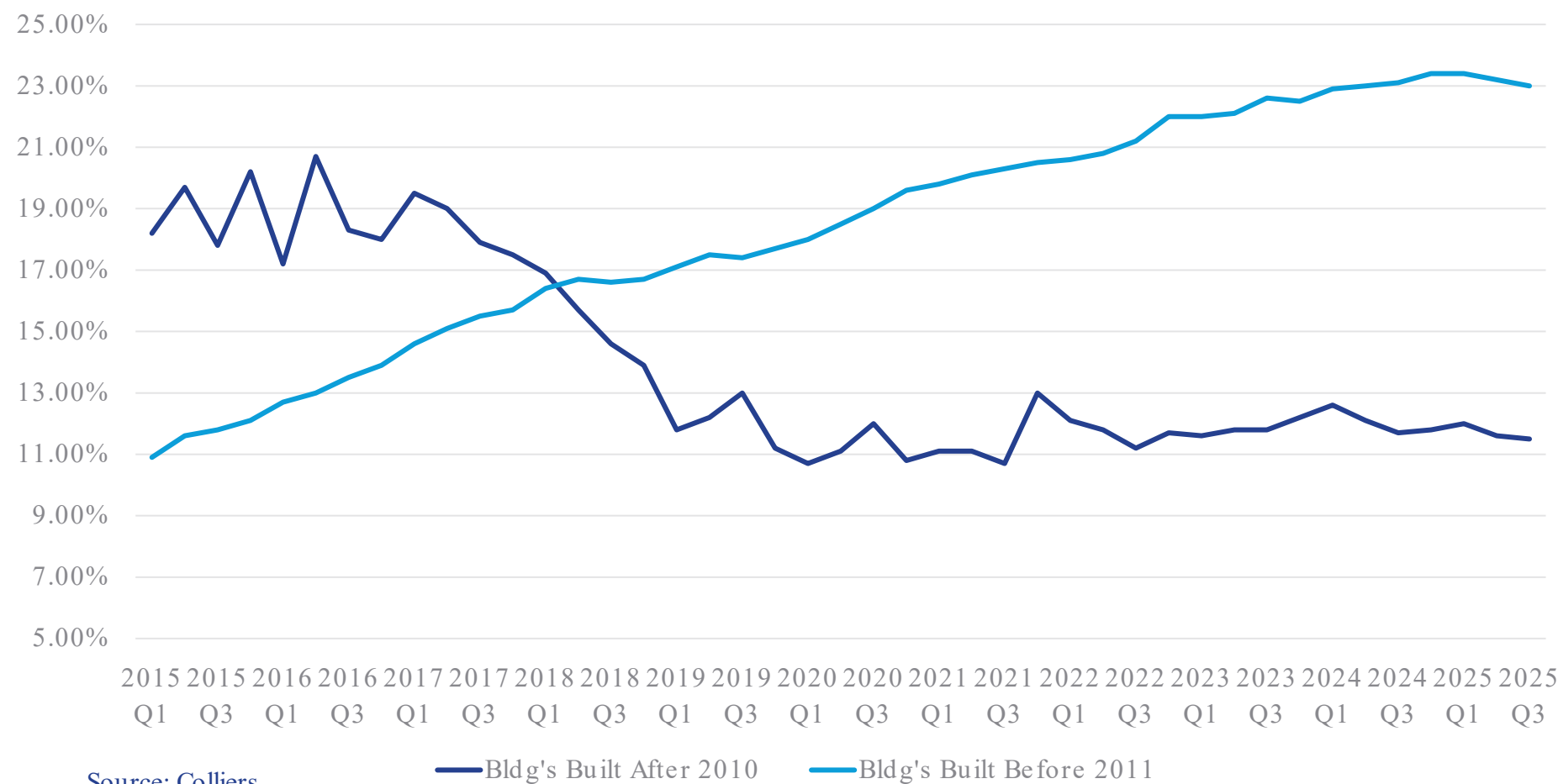
Net Absorption: Select Submarket Comparison



Source: Colliers

Greater Houston Office Market: Q3 2025

Flight to Quality: Multi-Year Run by Tenants



Absorption

Older Bldgs

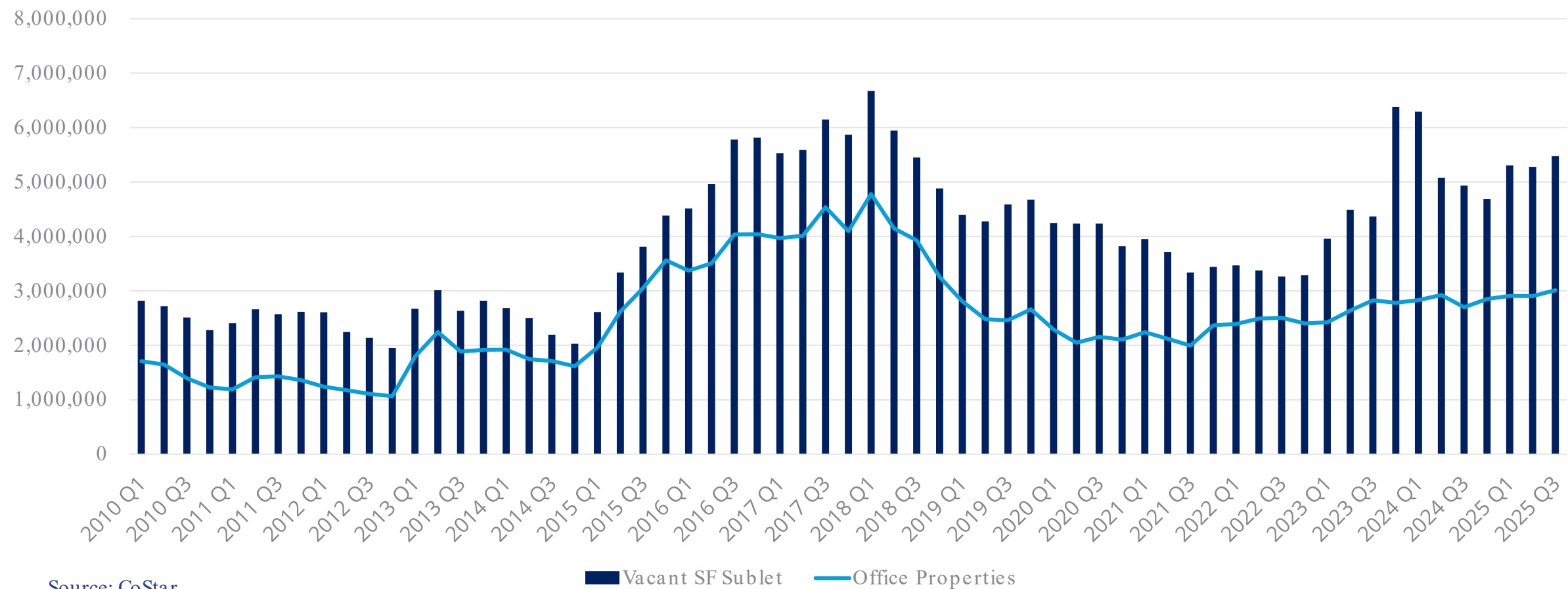
(26,904,254 SF)

Newer Bldgs

55,482,635 SF

Greater Houston CRE Market: Q3 2025

Sublease space: Mixed signs showing...



Source: CoStar

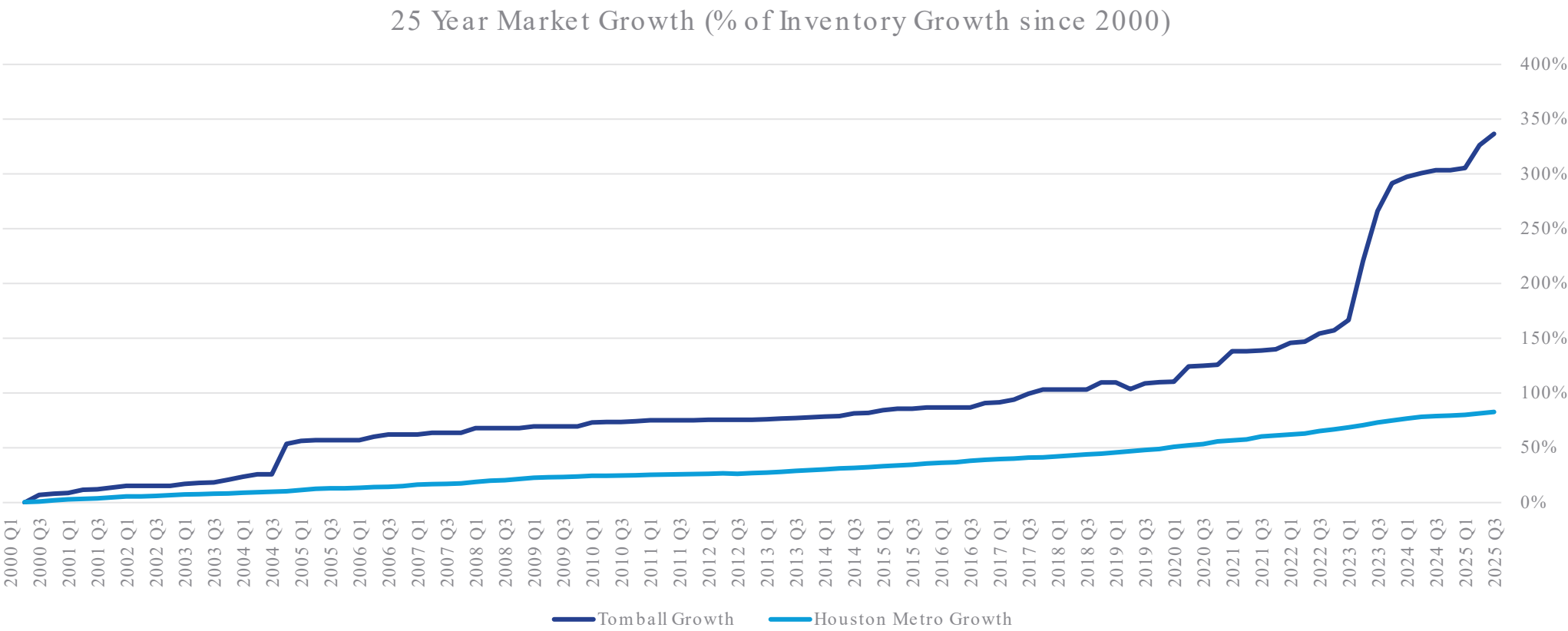


Q3 2025

Industrial Properties

Tomball vs. Houston Metro Industrial Market: Q3 2025

The Industrial Story: It's All About Growth



Source: Colliers

Tomball vs. Houston Metro Industrial Market: Q3 2025

Great Growth, Solid Absorption

Tomball Area

5.9%

2000

Added 6.9M SF
Absorbed 6.2M SF

75 of last 100
quarters were
positive.

8.3%

2025

Houston Metro

5.3%

2000

Added 361M SF
Absorbed 325M SF

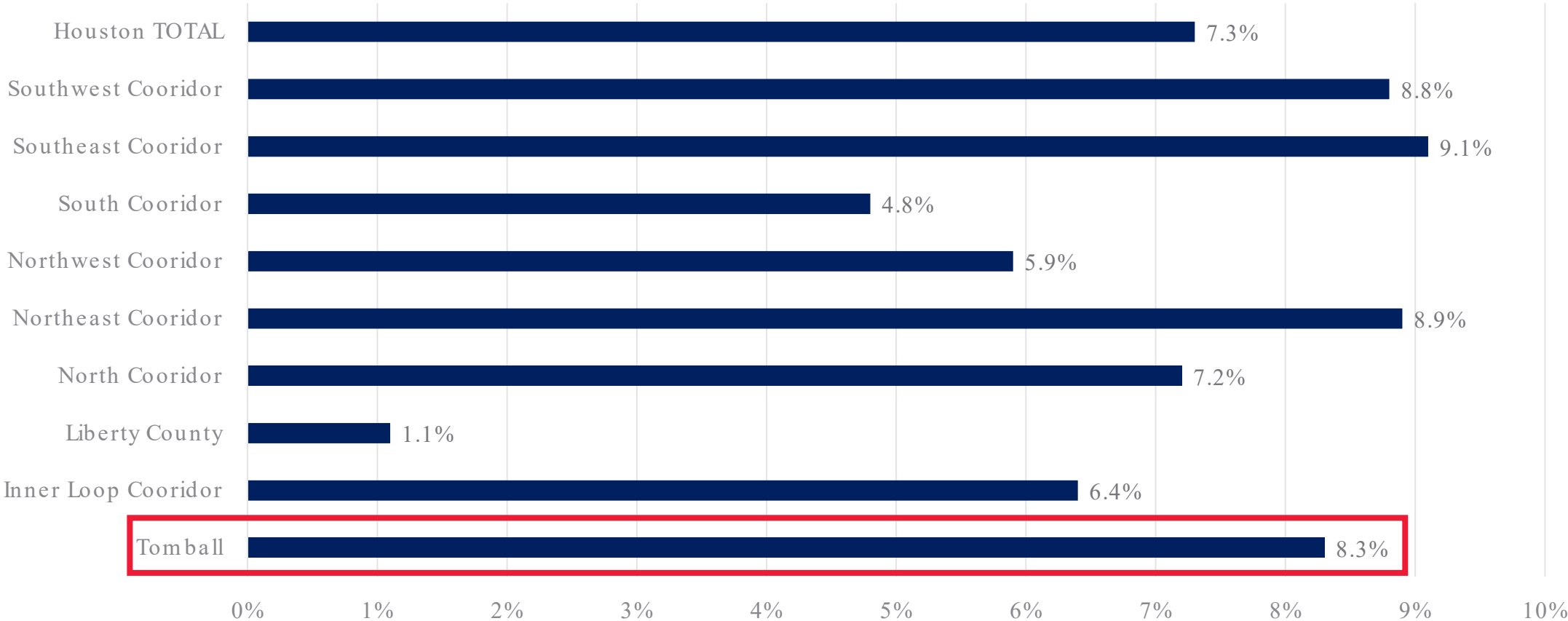
94 of last 100
quarters were
positive.

7.4%

2025

Tomball vs. Houston Metro Industrial Market: Q3 2025

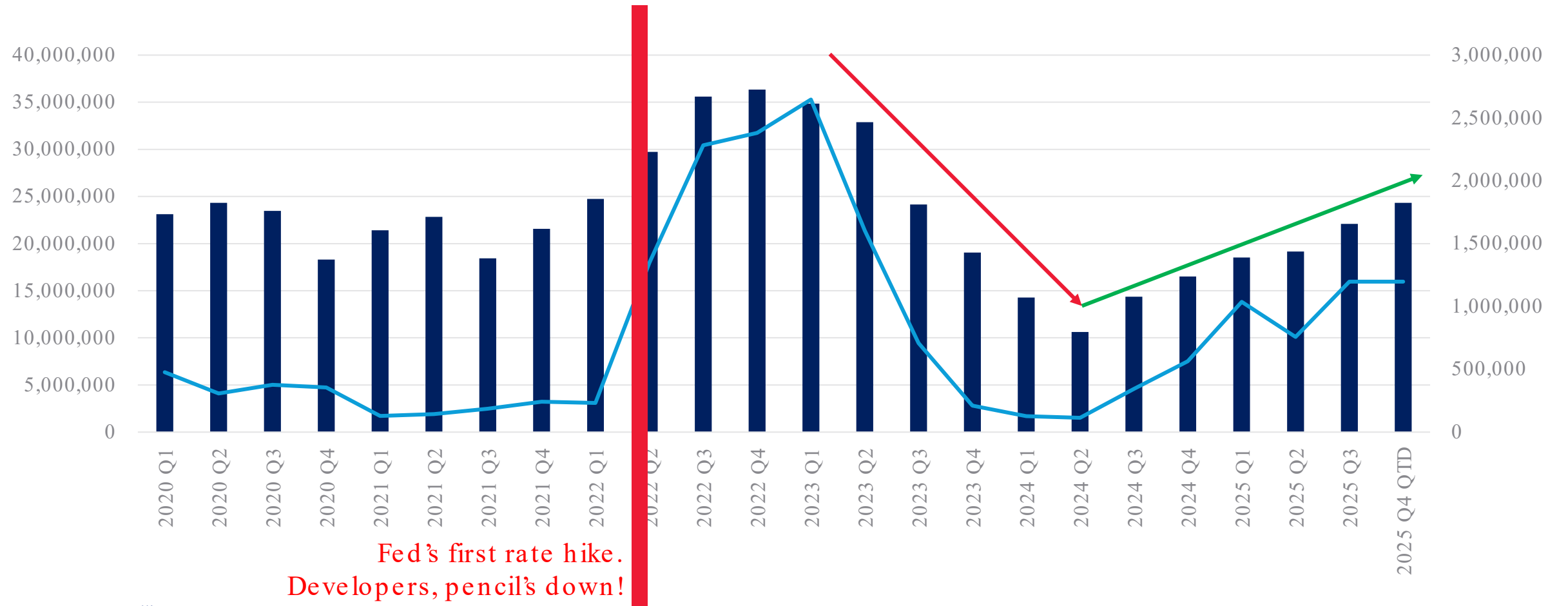
Vacancy Rates: Metro Houston Submarket Comparison



Source: Colliers

Tomball vs. Houston Metro Industrial Market: Q3 2025

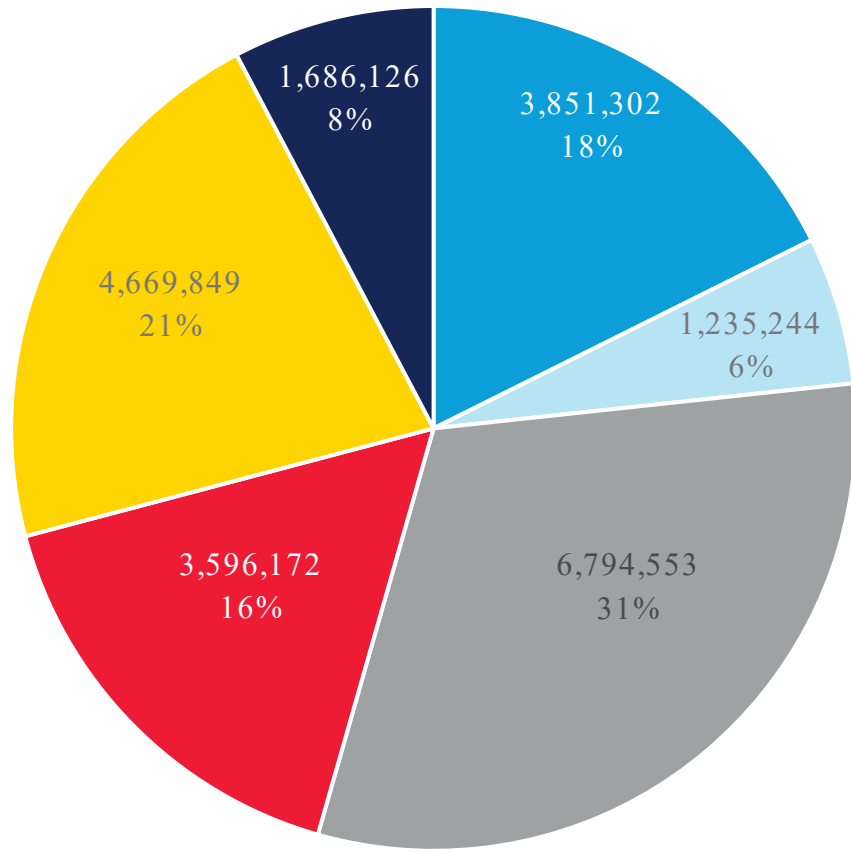
Construction: Developers Are Back!



Source: Colliers

Q3 2025 Houston Industrial

Houston industrial under construction

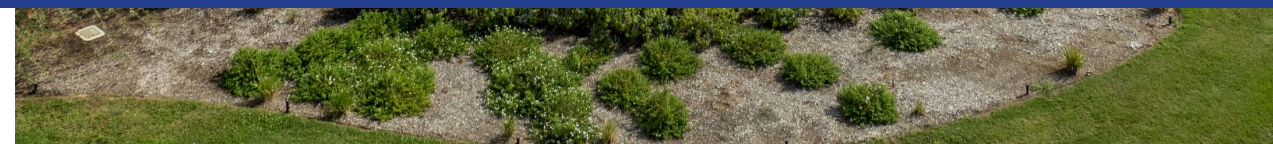


■ Inner Loop ■ North Corridor ■ Northeast Corridor ■ Northwest Corridor
■ South Corridor ■ Southeast Corridor ■ Southwest Corridor



Tom Ball Business & Technology Park

- Total of 18 businesses in the park
- Total SF built to date: 878,637 SF
- Total Number of Jobs Created: 908
- Total Private Capital Investment: \$106,678,000
- Total new property valuation (HCAD): \$85,576,544



Weighted Average NNN Rental Rates - 2018 – 2025

Pace of rent escalations not slowing



A photograph of a retail display for sunglasses. A dark metal grid shelf holds several pairs of sunglasses. In the foreground, a large pair of sunglasses with dark frames and light-colored lenses is out of focus. On the shelf behind it, a pair of black-rimmed sunglasses with dark lenses is in focus. Further back, a pair of gold-rimmed sunglasses is visible. The background is a bright, white wall.

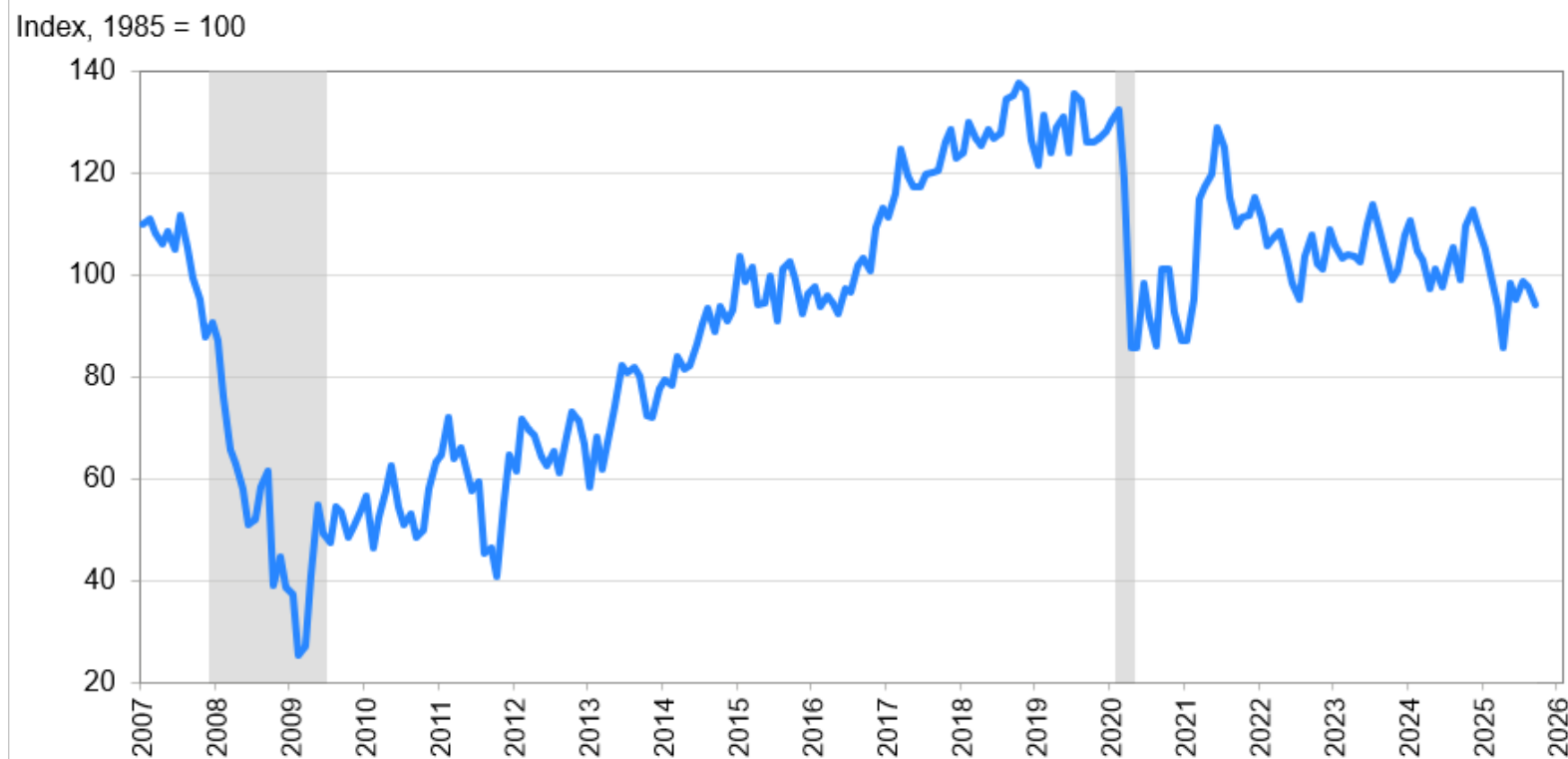
Q3 2025

Retail Properties

Confidence lagging, but relatively good



Consumer Confidence Index®

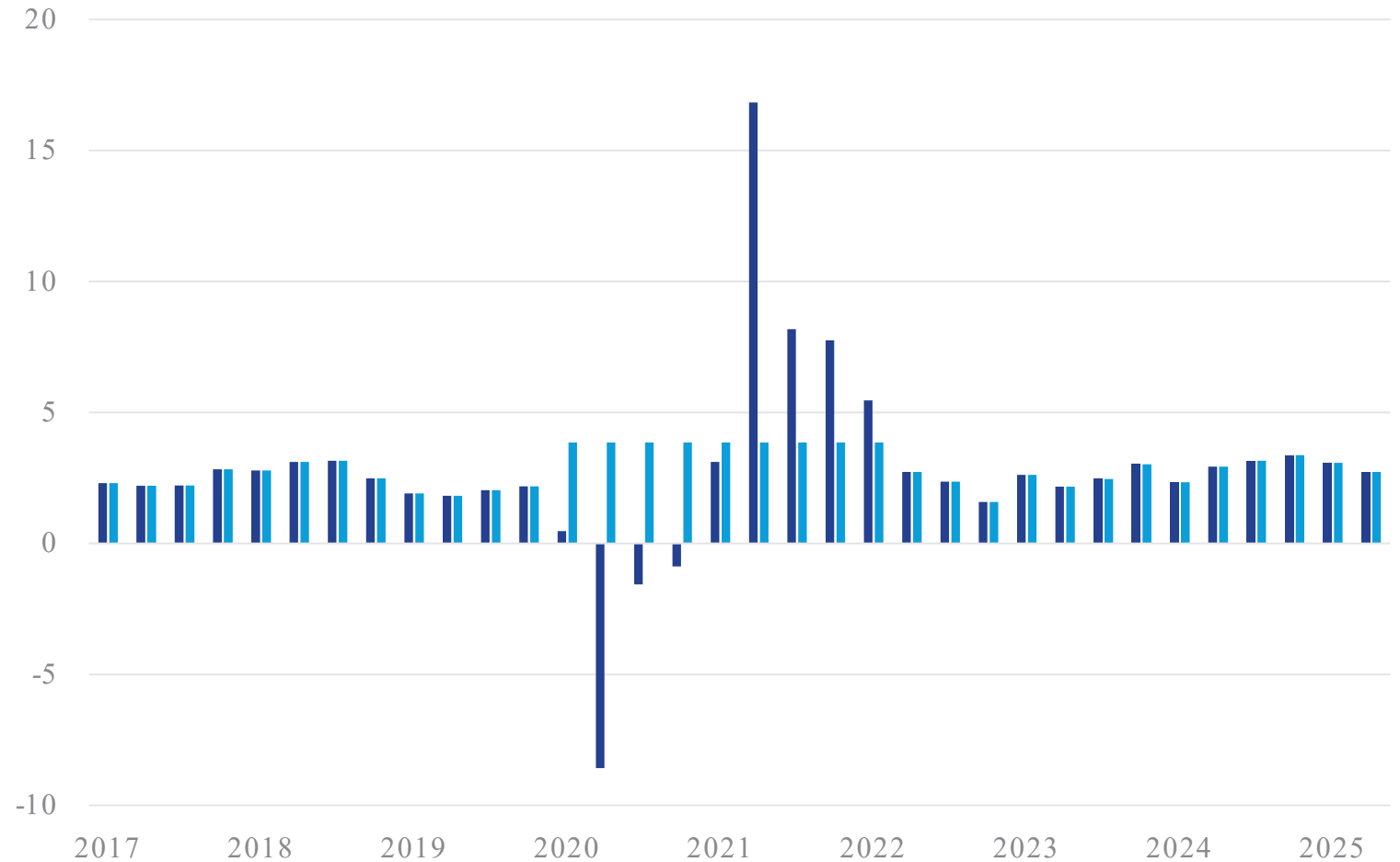


*Shaded areas represent periods of recession.
Sources: The Conference Board; NBER
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Source: The Conference Board

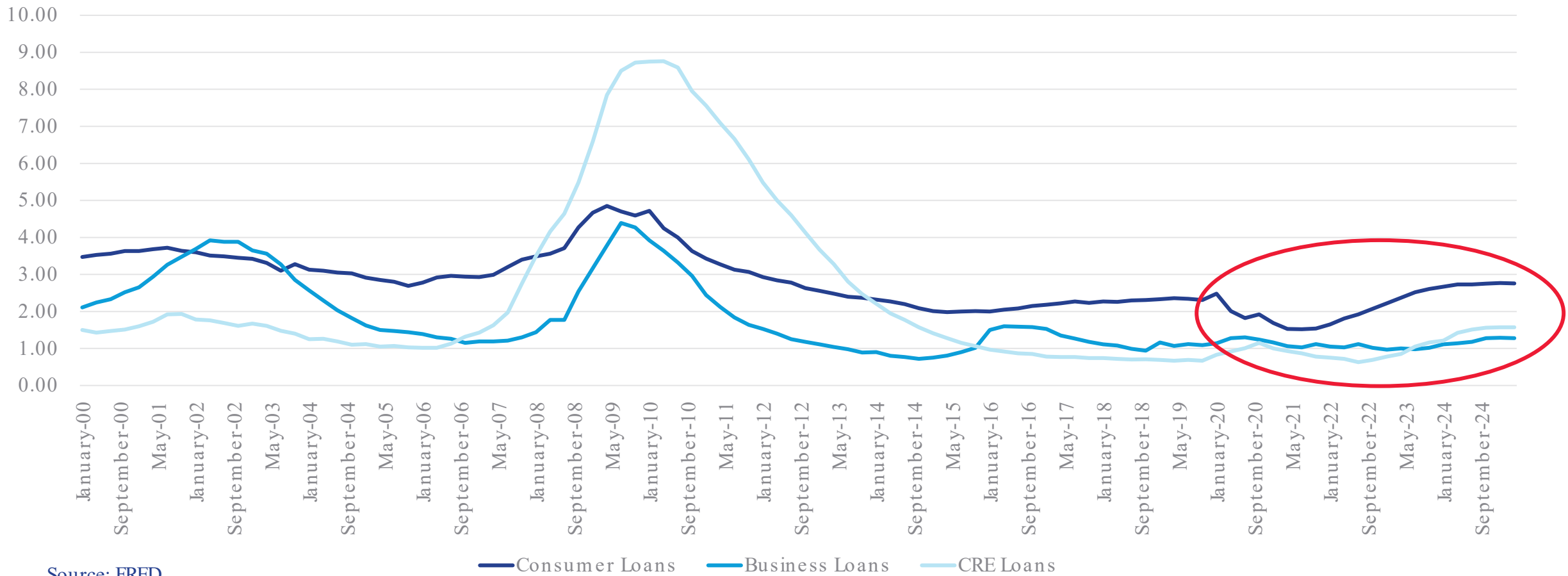
Spending remains resilient

U.S. Real Consumer Spending



Consumer Behavior

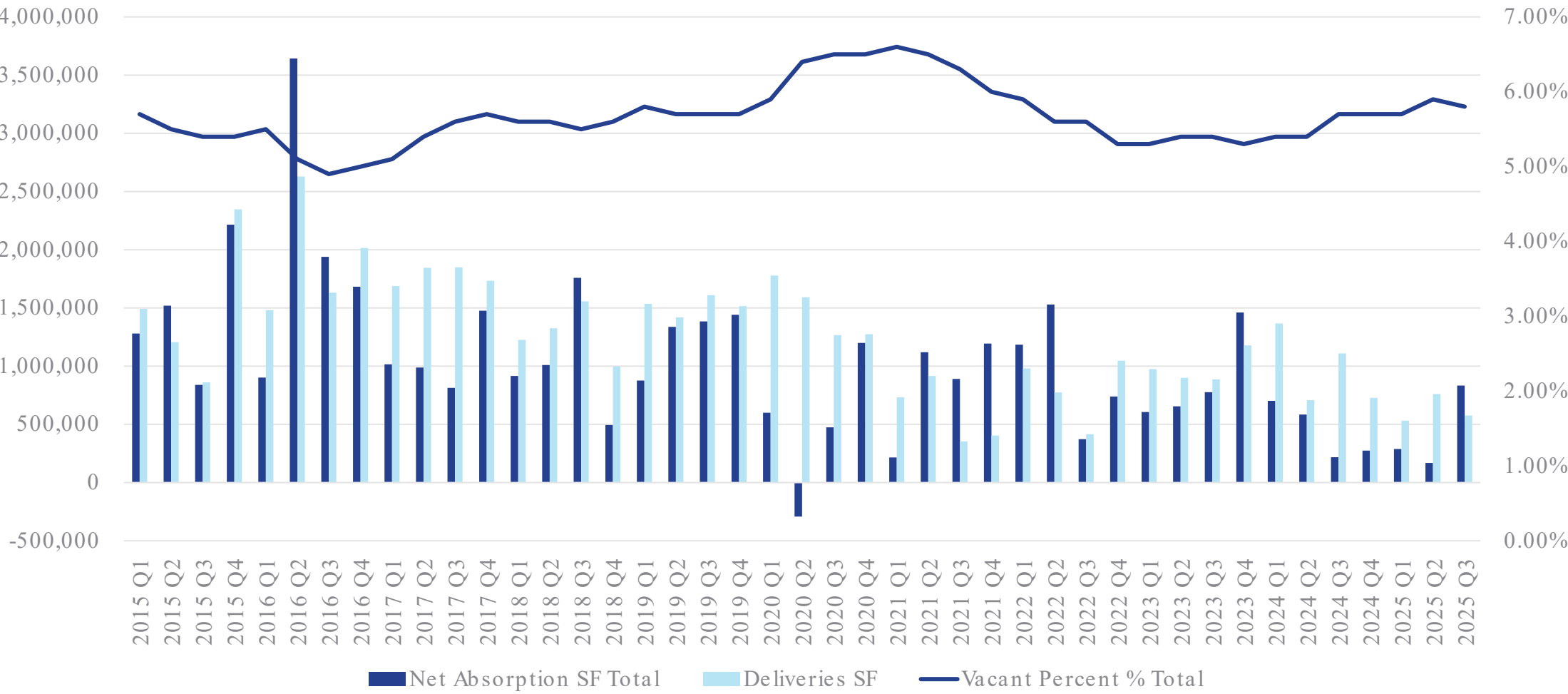
Delinquency Rates: Not Great, but Not Bad



Source: FRED

Greater Houston Retail Market: Q3 2025

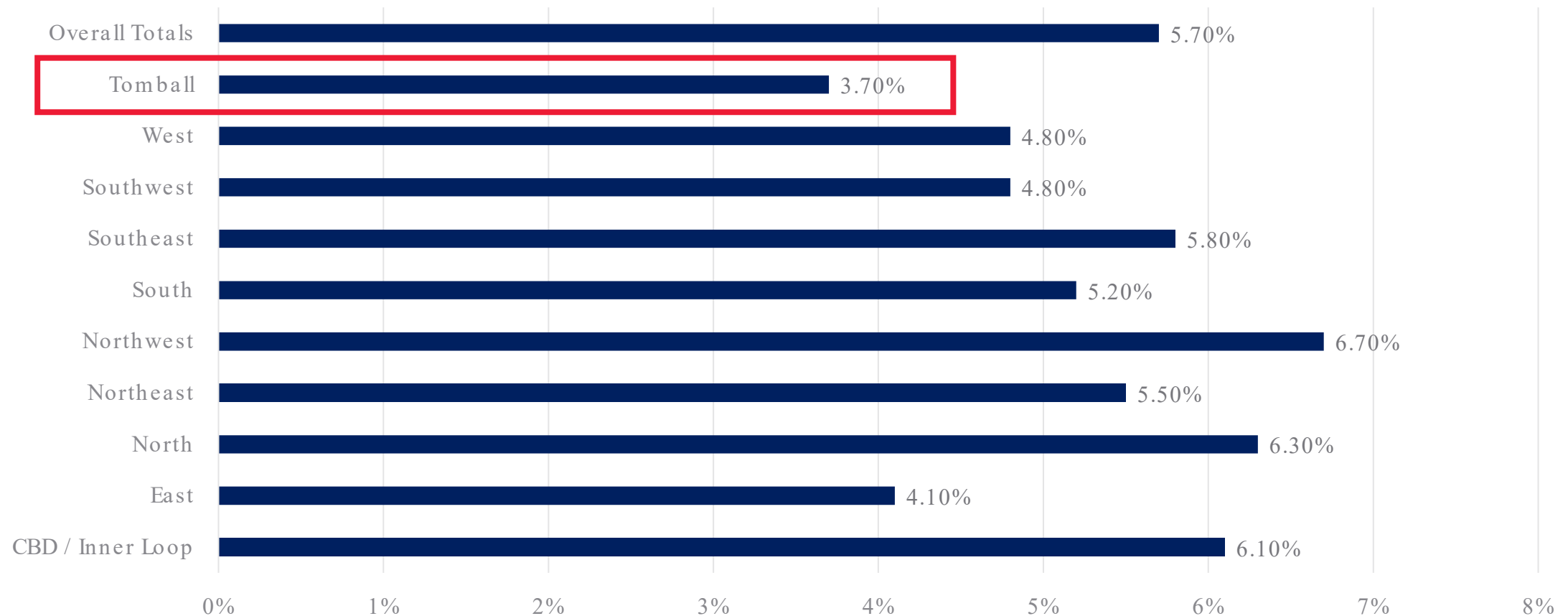
Absorption & Supply Swapping Spots



Source: CoStar Analytics

Tomball vs. Houston Metro Retail Market: Q3 2025

Vacancy Rates: Metro Houston Submarket Comparison



U.S. Retail Overview

Store Openings Leading Closures

Openings

5,383

2022



5,393

2025 YTD
(August)

“Retail resurgence”



Closings

3,807

2022



2,261

2025 YTD
(August)

U.S. Retail Market

Foot Traffic by Segment – Trailing 12 Months

	Average Visits	2023 % Change	Average Frequency
 Apparel	478.4K	🟢 2.71%	8.02
 Automotive & Auto Parts	95.3K	🟢 1.11%	6.70
 Discounters & Dollar Stores	210.2K	🟢 1.14%	10.15
 Department Stores	765.5K	🟢 2.79%	7.79
 Drug Retailers & Healthcare Clinics	285.2K	🔴 -0.06%	9.98
 Experiential	733.2K	🔴 -0.42%	6.89
 Grocery	1.1M	🟢 2.27%	15.66
 Health & Fitness	209.9K	🟢 0.98%	11.39
 Home Improvement, Housewares & Furnishings	324.7K	🟢 1.67%	9.35
 Mass Merchandisers	681.3K	🟢 2.95%	13.12
 Personal Care & Cosmetics	175.2K	🟢 1.72%	6.49
 Pet Care	271.5K	🟢 0.95%	7.70
 Restaurants	287.2K	🟢 0.78%	7.84
 Sporting Goods	1.0M	🟢 2.17%	10.22

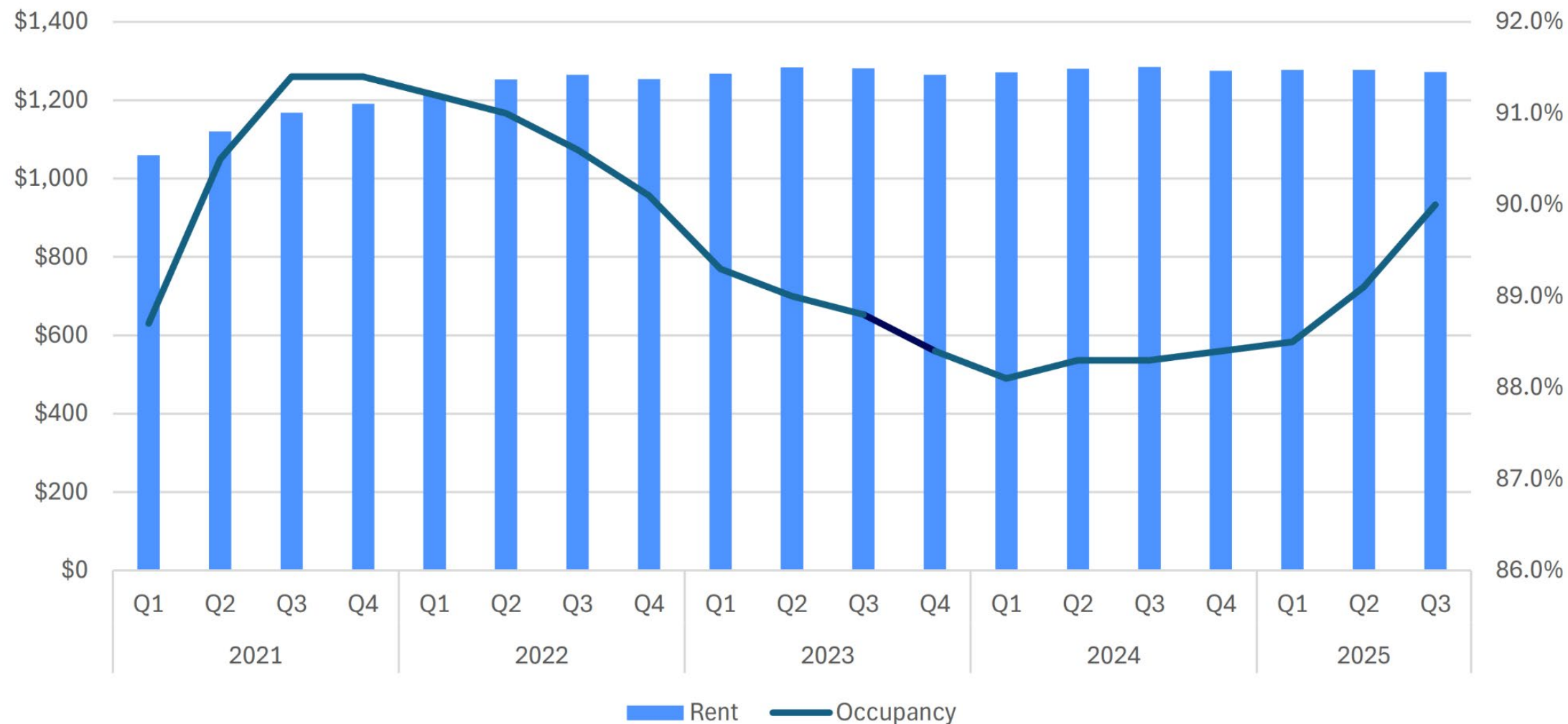


Q3 2025

Multifamily Properties

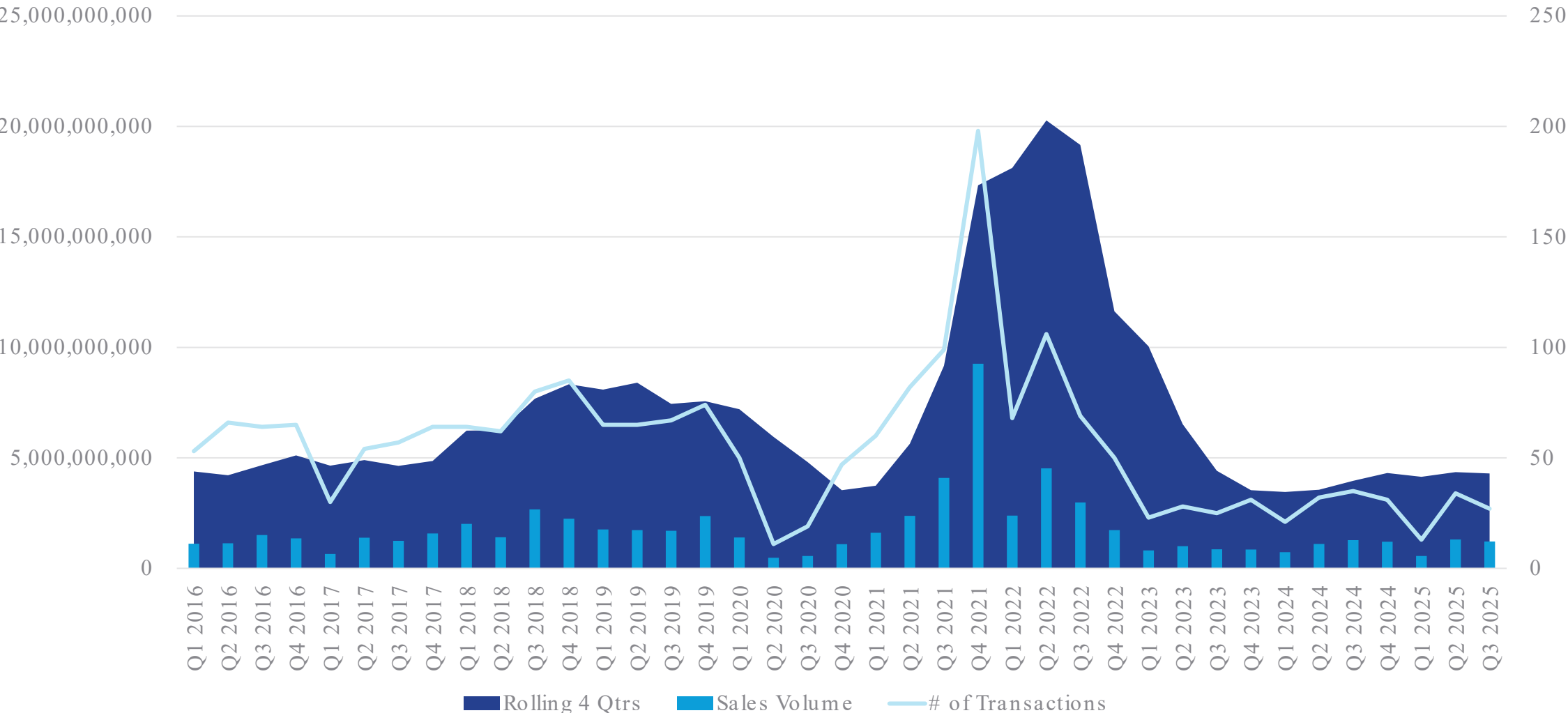
Houston Multifamily Market

Multifamily Rent and Occupancy Constant



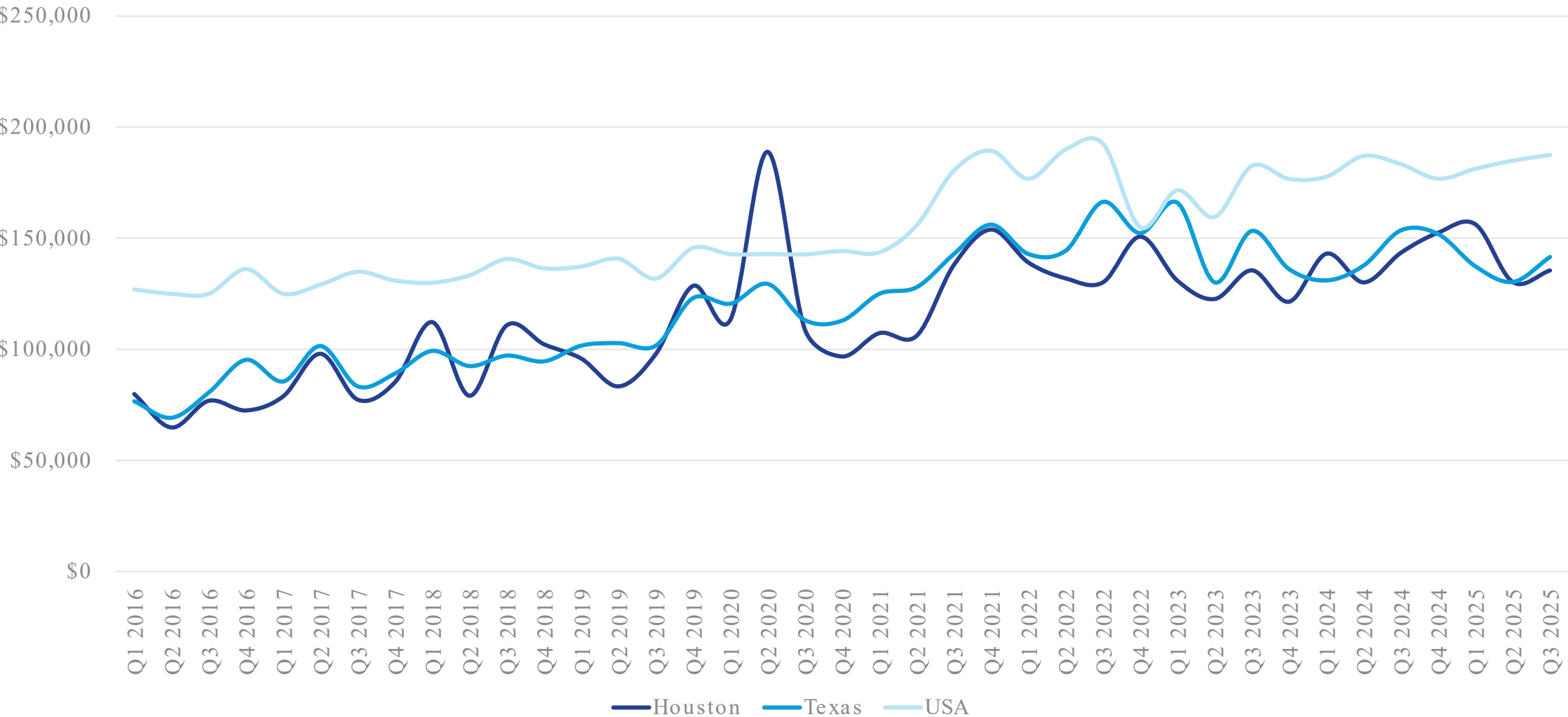
Houston Multifamily Market

Slow but Growing Market for Multifamily

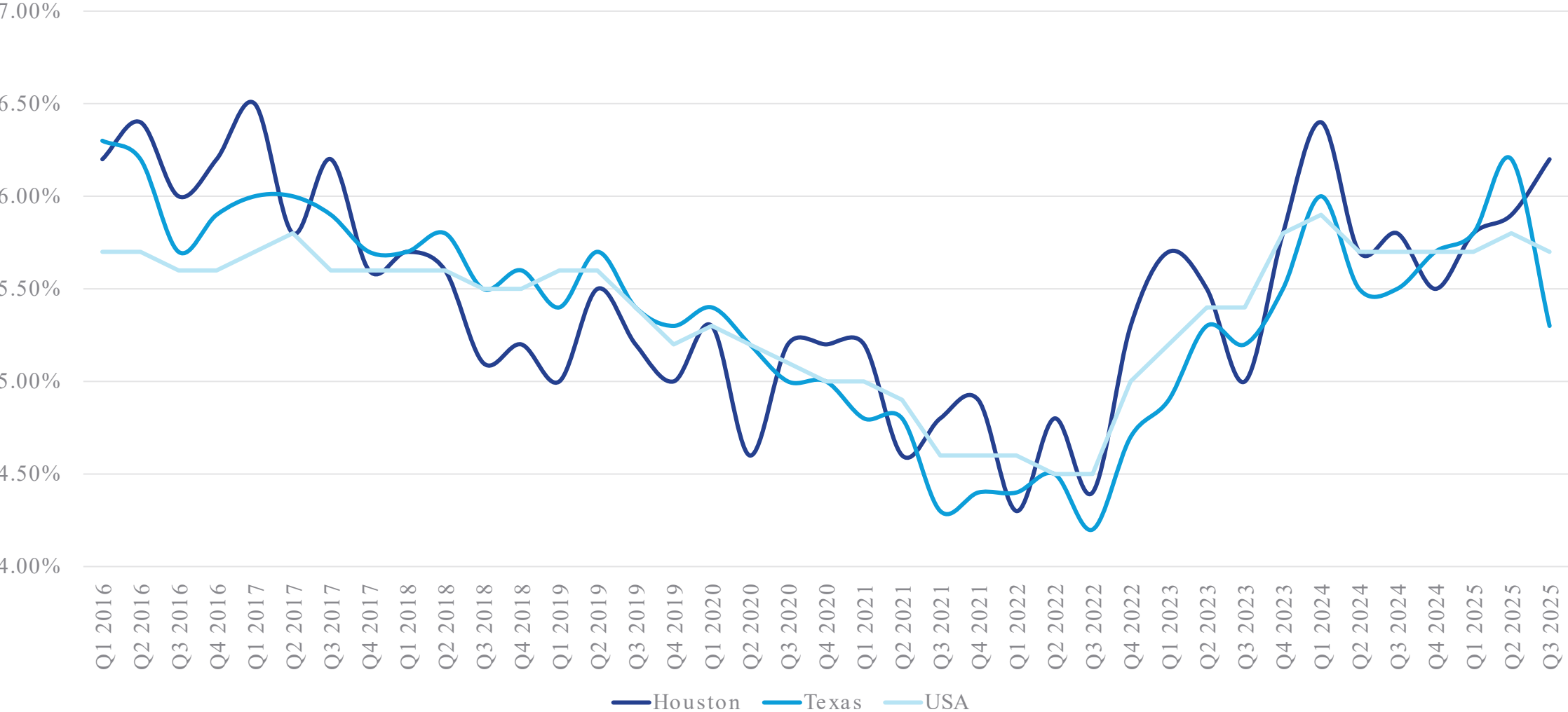


Multifamily Market

Median Sale Price per Unit



Multifamily Market Median Cap Rate



2025

Wrapping it up...

Challenges & Headwinds

There's still a lot of noise...

- Tarriff conversation & confusion
- Cost of construction & cost of capital
- Workforce shortages of skilled employees to fill new operations
- Development regulations that fluctuate or are too burdensome
- Global Pandemic dragging issues (back to office, etc.)
- Oil & Gas Encumbrances impacting surface use
- SB 17 Impacts



“Clarity doesn’t come from the absence of noise — it comes from knowing what to listen for.”

A big thank you to the
Colliers Houston
Research Team!



Patsy Fretwell
Research Director



William Uhalt
Research Manager

Questions?



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Report